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University of Alberta

The Management of Corporate Legitimacy: An Interpretive Structuralist Approach

by

Nelson Phillips ©

A thesis submitted to the Faculty of Graduate Studies and Research in partial fulfilment of the requirements for the degree of Doctor of Philosophy.

in

Organizational Analysis

Faculty of Business

Edmonton, Alberta

Spring 1995

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Nelson Phillips
194 des Arbres
Hudson, Quebec J0P 1H0

April 26, 1995

University of Alberta

Faculty of Graduate Studies and Research

The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research for acceptance, a thesis entitled "The Management of Corporate Legitimacy: An Interpretive Structuralist Approach" submitted by Nelson Phillips in partial fulfilment of the requirements for the degree of Doctor of Philosophy in Organizational Analysis.

J L Brown
John L. Brown

Judith Golec
Judith Golec

Royston Greenwood
Royston Greenwood

C. R. Hinings

Dennis K Mumby
Dennis K. Mumby

April 25, 1995

Abstract

In this thesis, I examine several aspects of the management of legitimacy, where legitimacy is defined as a measure of the congruence between stakeholder perceptions of corporate activities and stakeholder expectations for corporate behaviour. The perspective I develop highlights the fact that stakeholder perceptions and stakeholder expectations are social accomplishments, products of ongoing social processes, full of ambiguity and conflict, in which a wide range of stakeholders participate. The nature of legitimacy, and the ways in which stakeholders participate in the process of its accomplishment, are examined in three separate papers.

In the first paper, "Analyzing Communication In and Around Organizations: A Critical Hermeneutic Approach", I present a methodology useful in analyzing attempts at managing the symbolic framework within which corporate activities occur. To underscore the usefulness of the approach, the methodology is applied to a corporate image advertising campaign: a set of texts that seek to restructure a corporation's image and reframe a particular set of issues in a way more favourable to the corporation.

In the second paper, "The Management of Discontent: Toward a Social Semiotic Theory of Corporate (De-)Legitimation", I investigate the applicability of social semiotics as a theoretical base for an interpretive theory of legitimation. This strand of semiotics, or the study of signs, provides a useful perspective for approaching the management of legitimacy as a symbolic process: it provides an explanation of the

source and nature of societal expectations and a framework within which to understand corporate legitimation as a process of communication. Working from this perspective, I reconceptualize legitimacy, link it to the idea of a corporate image, and then use this conceptualization to expand and critique existing understandings of legitimacy management.

In the third paper, "Toward a Discourse Analytic Theory of Institutional Production", I explore the applicability of critical discourse analysis to the study of institutionalization. Clearly, legitimacy depends on a process of institutionalization. The expectations of stakeholders, and the corporations that are being evaluated, are both types of institutions. But what are these institutions and how are they created and maintained? I believe that it is useful to understand institutionalized constructs (i.e., the idea of the corporation) and institutions (i.e., IBM) as discursive products. In this paper, I explore the ramifications of adopting a discourse analytic view of institutionalization and describe how critical discourse analysis can be carried out.

In each of the three papers, I attempt to combine structural and interpretive moments of analysis to produce an "interpretive structuralist" approach. My intention is to retain the analytic value of structural approaches with the social perceptiveness of interpretive methodologies. The resulting view of legitimacy moves beyond the exsisting views in the literature and provides a foundation for further empirical study and theoretical development.

Preface

Like most things I write, this project has been very much an iterative process. As a result, the papers that make up this thesis are much different than anything I could have imagined when I began this project three years ago. At the same time, I think they do a better job of discussing the issues that I wished to discuss than anything I could have described in my proposal. The very unfocused ideas with which I began have become marginally more focused and have the added advantage of being written down. I have learned a lot through writing these papers and, in some ways, I finally feel ready to begin writing when I am actually supposed to be finished!

In retrospect, the choice of a paper-based thesis was a good one and I am very grateful to my thesis committee for their patience and flexibility. Given my interest in investigating a diverse and non-traditional area, the paper format allowed me to go in several related directions at once, something that would not have been possible in a traditional thesis format. The format has allowed me draw on a number of perspectives and to approach my research questions from several different tacks. I think the result is a range of related papers that have allowed me to learn more, and contribute more, than a traditional format thesis.

And, of course, much remains to be done; the ideas contained in these four papers are still very much works in progress. My understanding of the topics discussed continues to change with each new article and book that I read. Both cultural studies and institution theory are evolving rapidly and many new works are continually being published. But that is part of what makes this area so interesting to me and part of why I expect to work much more in this area. From my perspective, it has a lot of potential and I have been very pleased with the reception that the ideas outlined in the following papers have received from reviewers and conference audiences. I hope the papers that follow reflect some of that potential and some of my enthusiasm.

As always with projects of this kind, there are many people to whom I am indebted. First and foremost, I would like to thank John Brown, Ray Morrow and Bob Hinings for their help in often trying circumstances: I want to thank John in particular for his patience and good humour in the face of often imperceptible progress; I would like to thank Ray for the steady stream of tremendously useful ideas and readings without which I would have been theoretically lost; and I would like to thank Bob for stepping into the breach at a particulary sticky moment. I would also like to thank Michael Mauws and Thomas Lawrence without whose help I would never write anything. Finally, I want to thank my wife, Carol, for putting up with me during a particularly ridiculous period in my life. I promise, Carol, I will never do a PhD again.

I am, in many ways, hesitant to conclude this preface. Once the reader turns the page, my work must stand on its own. Like all the work I have ever done, the papers seem unfinished; even the first paper, which has already been published, seems to need much more work. On the other hand, at some point all texts must be abandoned by the author and left for readers to try and decipher. I trust the readers of the following papers will read them sympathetically and for what is present rather than what is absent.

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Chapter 1

Introduction

This thesis project grew out of the intersection of two important observations regarding modern society. First, I observed that society has become overwhelmingly "meaningful" in the sense that we are continually confronted with mass produced "texts" demanding to be interpreted. As members of modern society we are subjected to a barrage of television, radio, books, magazines, newspapers, billboards, and other mass media that continually vie for our attention. Each of these "mediated" communications comes complete with a point of view and a social position into which we, as the interpreter, are led (Althusser, 1970; Williamson, 1978). We may be spoken to as consumers, as voters, as parents, as shareholders, as citizens or as homeowners, but in each case a set of expectations and understandings, a whole social world in fact, is embedded in the text that we interpret. Each communicative act shapes, more or less, our understanding of society and participates in the ongoing accomplishment of the social world. We have, therefore, in an important sense, become a *mass-mediated* society (Thompson, 1990).

But I also observed something else which I thought equally important about modern society: it is characterized by the increasingly dominant role of organizations. There are now, for the first time, more organizations in modern society than individuals (Zucker, 1983). Individual actors have faded into insignificance, replaced by an ever-increasing number of increasingly powerful corporations, government agencies, special interest groups, industry organizations, political groups, and so on. As a result, we are no longer a society of individuals interacting face-to-face, but rather a society of organizational members interacting inter-organizationally; we do not interact as individuals, but as the occupants of particular organizational positions with access to particular resources. We have reached a point where our actions only have significant effects when they are understood to be the actions of representatives of powerful organizations; organizational membership has become the primary source of power and prestige. We have, therefore, also become an *organizational* society (Drucker, 1993).

Combining these two observations produces a view of society in which large, powerful organizations exist in an environment saturated by various "texts" that act to mediate the relations between organizations and between organizations and their stakeholders. This view of society leads to a range of questions regarding the relationship between power, meaning, and social relations and to questions about the nature of organizations. Perhaps most importantly, it raises the question of whether or not organizations can manage the systems of symbols that mediate the social structures within which they find themselves. Furthermore, if they can, how do they do it and how might they do it better (both in the sense of being more efficient and more ethical). It is this view of organizations and their environments, and the questions that it raised for me, that led to the three papers that make up this thesis.

Theoretical Foundations

In the following three papers, I have examined several aspects of this view of society by examining the intersection of two important and current streams of work: institutional theory and cultural studies. First, I have drawn on a stream of research in organizational analysis that grows out of a concern with the symbolic construction of organizations in modern society and with how organizations manage their non-economic relations. Beginning with Selznick (1949) and moving through Meyer and Rowan (1977) to Friedland and Alford (1991), the institutional theory literature has struggled to come to some understanding of the role of social processes in the ongoing accomplishment of organizations. While the work of Berger and Luckmann (1966) and Shutz (1970) provided the foundation for early work in institutional theory, more recent social theory (Foucault, 1979; Gardiner, 1992; Morrow, 1994) provides a new foundation for the development of a deeper understanding of institutions as social entities growing out of the interaction of individuals and shaped by social practices and taken-for-granted assumptions of the wider institutional environment.

In addition, I have drawn on a varied stream of research, primarily from sociology, that focuses on the role of images and discourse in modern society (i.e., Carey, 1988; Fairclough, 1992; Parker, 1992; Thompson, 1990). This work includes perspectives from social semiotics, critical hermeneutics, and critical discourse analysis that are useful in exploring the relationship between social structures and the production, dissemination and reception of symbolic forms. The underlying conception of social construction is highly processual and highlights the symbolic struggle that underlies the apparently stable sets of social practices and understandings that exist in society. This stream of work provides the tools to examine the relationship between meaning and power and to develop a more critical and interpretive theory useful in approaching organizational attempts to manage their institutional environments.

My project has therefore been to use this theoretical foundation to investigate the way organizations manage symbolic systems for their own benefit. Of course, "organizations" do not manage anything. Instead, individuals act from within organizations to manage symbolic systems for their own ends and often account for this activity by invoking "the organization". In other words, the "organization" is as much a way of accounting for self-interested activity as it is a determinant of members' actions (Bittner, 1965; Wieder, 1974). Organizational goals, strategies, and practices are the outcome of an ongoing political struggle between self-interested stakeholder groups within the organization and in its environment. The outcome of this struggle (to the extent there ever is an "outcome") *is* what we call the organization with its goals, strategies, and practices. Clearly, power plays a central role in this struggle. The amount of power held by any group is a result of past struggles and plays an important role in the direction that future struggles will take.

My approach has therefore been self-consciously critical in the sense that I have tried to be sensitive to the role of power and to the tendency for patterns of social relations that privilege certain groups in enduring ways to become naturalized and taken-for-granted (for an extended discussion of the term "critical" see Morrow, 1994). Organizations (perhaps more accurately, organizational elites) act to protect themselves from environmental threats and often succeed admirably in managing their environment. The arenas in which this activity takes place are far beyond the reach of any individual citizen. Instead, we are left with the option of bowing gracefully to the decisions that are reached or forming our own organization to participate in the struggle. Organizations have therefore become central political actors and critical organizational theory that explores this area of organizational activity (Burrell, 1988; Calas & Smircich, 1991; Mumby, 1988) forms an important part of the theoretical foundation underlying this thesis.

Legitimacy

The idea of legitimacy provides a single unifying theme running through this thesis. While each of the three papers takes a different tack, each is a discussion of some aspect of legitimacy and its management. The concept of legitimacy plays a central role in the sociological understanding of the relation of formal organizations to society. Just as the concept of a role provides an important conceptual link between individuals and organizations, legitimacy provides an equally important conceptual link between organizations and their stakeholder groups. The concept of legitimacy provides a way of thinking about how diverse interests affect organizations and, conversely, how organizations respond to the institutional environment in which they find themselves. Legitimacy is a tool for approaching the non-competitive[1] aspects of organizational activity aimed at dealing with a recalcitrant institutional environment. What in the past might have been called political activity or public relations is renamed: it becomes the management of legitimacy.

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[1] By "non-competitive" behaviour I mean behaviour aimed at modifying or maintaining the culture structures (norms, practices, etc.) within which competition normally takes place, rather than normal competitive activity that would take this frame for granted (see Granovetter, 1985).

My interest in legitimacy grows out of my interest in this aspect of the non-competitive activity of organizations. But in examining the literature on legitimacy, I found it to be lacking in two respects. First, the work in organization theory seemed to largely avoid the question of power. In choosing to look at the management of legitimacy from a purely practical or instrumental viewpoint, any critical focus was abandoned (e.g., Sethi, 1977, 1978, 1979). The marketplace for ideas was assumed to be a free one, and the "right" of organizations to participate was hardly examined, let alone questioned (Sethi, 1977). Yet, the ability of organizations (or perhaps, more correctly, organizational elites) to manage their institutional environments seems to me to be an important question both empirically (i.e., can it actually be done) and ethically (i.e., should it be done).

Second, the legitimacy literature in general ignores the symbolic aspect of legitimacy. The process of legitimation is often presented as straightforward, devoid of ambiguity and of the necessity of interpretation and framing. The degree of legitimacy of the company and its actions is assumed to be a property of the organization, not a result of a contested and highly political process of interpretation. From this perspective, a company is either legitimate or not; its legitimacy is not understood as a political outcome of a contested social process.

I began this project by looking for the most developed idea of legitimacy I could find in the management literature. For my purposes, Dowling and Pfeffer (1975) provided the best starting point. They defined legitimacy as a measure of the congruence between a group's or individual's expectations for corporate behaviour and their perceptions of corporate behaviour. While failing to provide a theoretical basis for understanding the discursive nature of legitimacy or a methodology for approaching the management of legitimacy, the "symbolic" approach to legitimacy developed by Dowling and Pfeffer does provide a useful theoretical stepping-off point. It points to the role of perception and defines legitimacy as a social accomplishment rather than a organizational characteristic. But it still failed to provide any insight into the mechanism through which a legitimate corporate image is produced. The idea of discourse provides the necessary insight.

Legitimacy as a Discourse

From a discursive perspective, a legitimate corporate form is the product of a broad societal discourse that provides the basic building blocks of the corporation and a narrower discourse that successfully links a particular corporation to these legitimate organizational forms. Legitimacy is therefore not an organizational attribute, but a comment on the state of an ongoing conversation between organizational stakeholders. As long as the conversation is maintained in a way that leads important stakeholders to support the organization, the organization can be said to be legitimate. If, however, the process breaks down (a breach in the ethnomethodological sense), and stakeholders begin to withdraw their support, then the organization becomes less legitimate or, perhaps, even illegitimate.

In any case, the ongoing process of sustaining corporate legitimacy depends on the understandings of stakeholders and on their expectations for corporate behaviour. The level of support among stakeholders for the corporation and its activities depends directly on the image of the corporation that they hold. The construction of a legitimate corporate image involves the production and dissemination of various texts. These texts are sometimes produced purposefully (corporate image advertisements and corporate reports) and are sometimes a byproduct of other activities. When combined, these texts constitute the corporation's identity. How these texts are interpreted by each stakeholder determines the corporation's image with that stakeholder.

Critical discourse analysis therefore plays a central role in my conceptualization of legitimacy. In the third paper in particular, I outline how discourse analysis can be used to analyze instances of legitimacy management and to argue that the underlying critical approach to discursive production is a significant improvement upon the existing conceptualization of institutional production in institutional theory.

Interpretive Structuralism as a Research Program

But the three papers that make up this thesis share more than simply a common interest in legitimacy. They also share a common methodological foundation growing out of a recognition of the importance of attending to meaning and "language" in the investigation of social phenomenon. The idea that language[2] is much more than a transparent medium of communication has become increasingly accepted across a broad range of social studies. In anthropology, for example, the claim that ethnographic texts are "truthful" representations of other cultures has become an major point of contention (Clifford & Marcus, 1986; Clough, 1992). In sociology, several areas of investigation - studies of the media, of culture, and of ideology for example - have been either re-created or at least substantially altered by this increasing sensitivity to the role of language in social relations (Brantlinger, 1990; Fairclough, 1992; Gardiner, 1992; Thompson, 1990). In psychology, the conventional idea of a coherent self holding relatively stable attitudes and beliefs is being challenged by the idea of a decentred self, constructed through language, with attitudes and beliefs that are contingent and unstable (Gergen, 1991; Parker, 1992; Potter & Wetherell, 1987). Across the social sciences, this increasing sensitivity to language is leading social scientists to deeply question the effects of traditional styles of research and presentation (Bjorkegren, 1993; Ellis & Flaherty, 1992; Zald, 1993) and to re-consider the role of language in constituting the social world.

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[2] By language I mean the broad set of social practices through which people communicate. Language would therefore include not just spoken words but also all kinds of meaningful texts including those transmitted by the mass media.

This "linguistic turn" has resulted in an increasingly widespread sensitivity to the active role of language in the construction and maintenance of patterns of social relations and systems of interpretation. In the study of organizations, this trend has resulted in a growing interest in alternative theoretical perspectives that focus attention on the centrality of linguistic phenomena. The work of Bakhtin, Barthes, Foucault, Derrida, Lyotard, and other poststructural social theorists has appeared as a source of new insight and as a challenge to traditional approaches to organizational analysis (e.g., Calas & Smircich, 1991; Burrell, 1988; Cooper & Burrell, 1988; Cooper,1989; Friedland & Alford, 1991; Hassard & Parker, 1993). Following the lead of ethnography, the role of modes of presentation in organizational research has been highlighted and standard modes challenged (Kilduff, 1993; Phillips, Forthcoming). Empirical research into the way that social interaction is structured through language has also become an important research area (Gephart, 1993; Mumby, 1988; Phillips & Brown, 1993).

The three approaches to legitimacy described in the following three papers are all part of this turn to language. They share a concern with meaning and with the role of meaning in social life. But in developing these three approaches I have resisted being swept away by the hermeneutic awareness that results from the recognition of the importance of meaning in this sort of organizational research. Instead, they are all, following Morrow (1994: 160), interpretive structural approaches to the study of legitimacy. By "interpretive structural approaches" I mean that they share an interest in the generative mechanisms out of which social action arises combined with a hermeneutic concern with meaning in social situations. The three approaches are attempts to find a middle ground between Althusser's hyperstructuralism and Dilthey's strong hermeneutics. Instead, I try to combine a respect for the generative aspect of social structure with an interest in how interpretation occurs. The result is a structuralist approach that recognizes the interpreter, including the researcher, and the process of interpretation. In fact, the three articles are all attempts to find the right balance and the most useful combination of structuralist and hermeneutic approaches in examining the management of legitimacy.

Research Questions

Beginning with the general theoretical orientation discussed above, there are four basic problems that have occupied me in this thesis:

1. *How should legitimacy be reconceptualized in the light of recent ideas regarding discourse, power, and the relation between mass communication and patterns of social relations?*

This is the question that occupies me in the second paper. Beginning with the idea of legitimacy developed by Dowling and Pfeffer (1975), I work towards a more developed idea of legitimacy as an ongoing social accomplishment. A legitimate corporate image is the product of a discursive struggle, is embedded in a set of texts, and is full of ambiguity and inconsistency. Many different stakeholders play a role in the process and their ability to draw on other discourses - their symbolic dexterity and resources - determines the role they can play in the ongoing conversation. The organization itself is usually the most active player in the discourse, attempting to provide accounts for activities and to link the organization to various powerful symbols and ideas.

2. *If I reconceptualize legitimacy in this way - as a social accomplishment created and maintained through discourse - how can it be studied? What kinds of methods and methodologies are useful in investigating legitimacy if it is understood in this way?*

Once we have conceptualized legitimacy in this way, how can we proceed to study it empirically? The standard empirical methodologies fail to provide the kind of depth required to understand the ongoing symbolic negotiation that surrounds the development of a corporate image. A methodology is required that reflects the way actors construct texts to frame and account for their activity. The first and the third paper develop methodological approaches that are effective in investigating this kind of interpretive process in a systematic, yet flexible fashion. As the papers are presented chronologically, the third paper is intended as an extension and development of the thinking outlined in the first paper. It has certain advantages over the first paper which relied too heavily on a hermeneutic perspective. While the first paper was a significant improvement on previous work, it had certain limitations that have been overcome in the third paper where I adopting a discourse analytic perspective.

3. *What ramifications does this reconceptualization of legitimacy have for institutional theory, the body of theory and empirical research most concerned with legitimacy?*

Institutional theory grows out of an interest in legitimacy and a recognition of the importance of legitimacy in the construction of firms and industries. Therefore, any significant redefinition of legitimacy will have important ramifications for institutional theory. In the third paper, I try to deal with some of the ramifications of understanding legitimacy as a discursive product. The idea that institutional processes depend on some sort of institutionalized practices and understandings (i.e., the corporation, the accountant, etc.) is widely accepted in the institutional theory literature. The idea that these practices include the discursive practices which produce other institutionalized practices and understandings is an important addition. Also, the addition of a critical discursive approach allows an institutional perspective to deal much more effectively with the political aspects of institutional production and the role of power and self-interest.

4. *How do organizations actually manage legitimacy? How can organizations manage legitimacy more effectively? more ethically?*

The answer to these questions is not straightforward. The papers that follow only examine two instances of the management of legitimacy and suggest, based on those instances, some possible ways in which organizations can manage legitimacy more effectively and more ethically. My intention was to explore the theoretical possibilities available in recent social theory and then to use the result as a stepping-off point from which to explore the management of legitimacy. The results remain tentative and need much more work. The papers do, however, suggest a whole range of potential research directions, several of which I discuss in the conclusion.

Significance of the Study

This study is significant for several reasons. First, from an organization theory perspective, the connection between organizational legitimacy and *processes* of institutionalization and communication has been largely overlooked. Very few ideas from interpretive sociology and communication studies have made their way into the organization theory literature in this context, despite their clear applicability and usefulness. All three of the papers in this thesis hopefully contribute to making this connection more explicit. The resulting theory adds an important dimension to the discussion of organizational legitimation and allows the question of power to be more directly raised.

Second, from a management viewpoint, the papers provide a set of ideas for thinking about image management and its role in the larger strategic management of the firm. While the papers included here are clearly meant for an academic audience, they provide the foundation for a more practitioner oriented paper (or papers) to present the more practical side of this discussion. The increasingly mediated nature of society makes the need for image management more and more acute. Public relations has become a huge business and the effectiveness of this activity is an important business question. Providing more effective ways of thinking about corporate images and corporate legitimacy should lead to more clearly planned and executed corporate image management programs: programs which respect the expectations of stakeholders and the increasingly dense symbolic landscape in which the corporation acts.

At the same time, it is crucial that image management activities are examined critically to ensure that they are not obscuring important dimensions of corporate activity and that appropriate space is provided for alternative conceptions of corporate activities. As Perrow argues:

> Organizations mobilize social resources for ends that are often essential and even desirable. But organizations also concentrate those resources in the hands of a few who are prone to use them for ends we do not approve of, for ends we may not even be aware of, and, more frightening still, for ends we are led to accept because we are not in a position to conceive alternative ones. (Perrow, 1986: 6)

The papers are therefore critical of any unexamined assumptions about the effects of this kind of activity. I feel strongly that we underestimate the role of the media in constructing the communities in which we live. I have tried to adopt a critical, but balanced, tone which explicitly avoids an overemphasis on the "practical" side of image management and advertising at the expense of a careful consideration of the social role of the media and the overall effect of this kind of activity (Herman & Chomsky, 1988). While my own feelings on the role the media in society are mixed, I hope that more critical investigations will be carried out in order to supply the ideas and information necessary so that participants can at least be informed of the potential of mediated communication in shaping patterns of social relations.

Fourth, the management literature is incredibly insensitive to the societal role of culture industries and of the profound differences which changing technology and social practice hold in store for management. On the one hand, the tremendous changes in technology are revolutionizing the way we communicate and hence the way we maintain the social communities in which we live. These developments are fundamentally changing the nature of markets and consumers. Consumers have more and more access to information and "fashion" has become the watchword in every industry (Peters, 1992). As a corollary of this, the information industries themselves are quickly displacing the industries that management scholars have traditionally studied and this trend reveals the kinds of systematic limitations that exist in our theories as a result of our focus on large manufacturing industries. Perhaps, the kinds of theory discussed in the following papers will help us to deal with the rapidly changing and highly symbolic industries of the future.

Fifth, building on the above points, the whole examination of the management of legitimacy holds important ramifications for public policy. Should there be legislation controlling this sort of activity? Should image management expenses be tax deductible? Should only individuals have the right to speak? While I make no attempt to answer these questions, I do try to provide a perspective for examining the management of legitimacy that provides a framework and a vocabulary useful in working towards an answer. In this way, work in this area has important ramifications for public policy.

A Note on the Ordering of the Papers

The papers presented in the remainder of this thesis are ordered chronologically. While several other options existed, this seemed the most sensible as it avoided the problem of explaining why later papers followed lines of thought critiqued in earlier papers. The papers are therefore presented in the order in which they were written, despite the awkwardness of alternating back and forth between empirical and theoretical work. I originally ordered them in a more traditional way with the theoretical piece first and the empirical ones following. This, however, made little sense theoretically and I was left struggling to come up with some sort of justification for the resulting theoretical meandering. I think this ordering is much better.

The first paper was written two years ago for a special issue of *The Academy of*

Management Journal. It encapsulated my thoughts on legitimacy and outlined an approach to its empirical investigation that I thought particularly useful. This paper provides the anchor for the later papers which extend the themes initially explored in this first paper. The last two papers, therefore, should be thought of as replies to certain limitations I later became aware of in the first paper.

The second paper is an extended discussion of the contribution of semiotics to an interpretive conceptualization of legitimacy. In it I develop a more complex and better theorized view of legitimacy than the one I developed in the first paper. I draw on a wider literature in an effort to critique the over-reliance on Barthes that characterized the first paper. Instead of relying so heavily on Barthes, I instead turn to the work of Bakhtin to balance the structuralist conception of Barthes and Saussure and to provide a link to the discursive perspective developed in the third paper.

In the third paper, I continue to further develop the idea of legitimacy by drawing on the growing literature on discourse analysis. While the second paper explored the nature of legitimacy, the third paper explores the processes underlying the social production of institutions or "legitimized social groupings" (Douglas, 1986). I use ideas from discourse analysis to develop a theory of institutional production and to develop a number of dimensions along which institutional production, as a process of legitimation, can be empirically investigated.

The three papers constitute a varied and complex discussion of legitimacy. The papers outline a range of perspectives and attempt to solve a diverse set of problems related to the central theme of legitimacy. I am convinced of the value and usefulness of the concept of legitimacy and excited by the potential of legitimacy research to deal with issues surrounding the relation of business and society.

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Chapter 2

Paper 1 - Analyzing Communication In and Around Organizations: A Critical Hermeneutic Approach[3]

In this paper, we present a research methodology useful in investigating the management of meaning in and around organizations, a critical hermeneutic approach. The methodology approaches instances of organizational communication as symbolic phenomena, as "texts" that require interpretation. The approach thus draws on the field of hermeneutics, an area of philosophy that deals with the theory and practice of interpretation (Palmer, 1969). But the methodology is also critical in the sense that it enables self-conscious reflection on the social conditions surrounding the production, dissemination, and reception of texts and on how these texts contribute to the creation and maintenance of power differentials in and around organizations (Deetz, 1985; Held, 1980; Rosen, 1987). By combining an hermeneutic perspective with a critical interest, the methodology provides a structured approach to the analysis of the role of meaning in the ongoing re-creation of organizations and their environments.

Critical hermeneutics can be applied to a wide range of organizational and extra-organizational phenomena. Any act of communication that attempts to change or reinforce the interpretive frameworks of the actors involved is a potential candidate for this kind of analysis. Researchers using this technique are not, therefore, as interested in communication that is primarily *informative* as they are in communication that is primarily *transformative*: with communication that attempts to link ideas and symbols in ways that contribute to the creation or maintenance of an enduring pattern of social relations (Cary, 1989; Leiss, Kline, & Jhally, 1986). Which texts are the most important in a specific context is, of course, an empirical question. Possible examples of important texts include documents of various kinds, speeches, stories, ceremonies, architecture, press releases, advertising, and corporate sponsorship activities. Any activity or object that affects the network of symbols through which a group or individual understands an organization and its place in the world is of interest from a critical hermeneutic perspective.

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[3] A version of this paper appeared in the *Academy of Management Journal*, 36(6): 1547-1576.

The most important potential contribution of critical hermeneutics lies in its extension of existing interpretive approaches to the study of management. It does so in at least three ways. First, it provides a structured method of examining the *role* of symbolic phenomena in organizations. Organizations are, in an important sense, symbolic (Pfeffer, 1981: 1-16). They are "speech communities sharing socially constructed systems of meaning that allow members to make sense of their immediate, and perhaps not so immediate, environment" (Barley, 1983: 393). This socially constructed system of meaning exists as a set of texts that allows members of an organization, and interested extra-organizational participants, to interpret organizational activity and to interact with the organization. Critical hermeneutics asks how certain texts contribute to the maintenance (or evolution) of this system of meaning and hence to the patterns of social relations in particular situations. The way texts condition the understandings of organizational and extra-organizational actors, and how this affects their behaviour, is the central concern of critical hermeneutics.

Second, it provides a structured method for examining the *sources* of texts. Recognizing that a text plays a role in maintaining or changing the cultural fabric of an organization or societal group is only the first step towards its analysis: knowing who produced it and why it was produced are equally important questions. By answering these questions, critical hermeneutics connects ideas of culture and ideas of power in a more satisfactory fashion than is often done: a researcher adopting this approach neither denies the possibility of "managing" culture (e.g., Meek, 1988), nor does it assume that managers (or other powerful actors) manage culture as an obvious fact (e.g., Deal & Kennedy, 1982); rather, the development of the interpretive fabric of the organization is appoached as an empirical question. As Mumby explained, "a critical approach to organizational culture thus moves beyond the surface issues of sense-making to examine the means by which certain meaning structures come to be more pervasive and widely accepted (i.e., more legitimate) than others" (1988: 35).

Third, critical hermeneutics provides a framework for the *inclusion* of several formal methods[4] of analyzing organizational texts that are valuable but underused, with several notable exceptions (e.g., Fiol, 1989; Barley, 1983; Gephart, 1979), in the study of management. Methods such as structural semiotics, discourse analysis, psychoanalytic criticism, and the like can be usefully integrated with more conventional interviewing and ethnographic techniques within an interpretive frame. In this way, critical hermeneutics provides a way to extend and sharpen interpretive management studies.

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[4] By formal analytical approaches we mean those that objectify the text and examine it abstracted from its context. We do not mean traditional quantitative methods but rather methods such as structural semiotics, psychoanalytic criticism, Marxist analysis, and the like. These techniques, while focusing on the "meaning" of the text, are very

Culture, Communication, and Power

Culture and Communication: A Symbolic View of Culture

The critical hermeneutic approach begins with a view of culture situated squarely in what Smircich calls the "culture as a metaphor perspective": culture is not something an organization has, it is something an organization is (1983: 347; Alvesson & Berg, 1992). From this perspective, the organization is a living metaphor that is constantly interpreted and reinterpreted by organizational members and extra-organizational participants. Individuals use this metaphor in understanding organizational behaviours and events, and it conditions both their understandings and their actions.

In this section, we will explore this symbolic view of culture and expand it to

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different from traditional interpretive techniques such as ethnography which seek to understand the subjective meaning of a text for some individual or group. In the remainder of this paper, the term interpretive approaches will be reserved for approaches which seek to understand the subjective meaning of a text, while formal approaches will be used to refer to methods which share an interest in the meaning of a text but focus on the text abstracted from its context.

reflect our interest in investigating the way particular texts structure and recreate organizational and extra-organizational reality. Geertz provides a useful beginning when he defines culture (at any level) as "an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men [*sic*] communicate, perpetuate, and develop their knowledge about and attitudes toward life" (1973: 89). Instances of organizational and extra-organizational communication are the symbolic forms, the texts, which make up the organization's culture at the organizational level and which constitute the corporate image as a cultural artifact at the societal level.

From the perspective of critical hermeneutics, there are two important aspects of a symbolic conception of culture that deserve emphasis. First, culture and communication are inextricably intertwined. Men and women "*together* shape tools, invent languages, adhere to values, devise institutions, and so on" (Berger, 1969: 7). All culture, including corporate culture, is a social product; it is constituted and maintained by the ongoing communicative interaction of the corporation's members. *Culture is therefore a product of communication.* While drawing heavily on the national culture or cultures in which the organization is embedded (Ingersoll & Adams, 1986), it is the ongoing communication of organizational members that produces the fabric of myths and symbols through which organizational members (and to some degree extra-organizational actors) come to understand the organization and its place in the world (Berger & Luckmann, 1967; Pfeffer, 1981: 24-26). It is this fabric of symbols that legitimates particular kinds of activities and justifies particular patterns of social relations.

Second, culture is a public phenomenon; it does not reside in people's heads, but rather exists intersubjectively as a collection of texts of various kinds (Geertz, 1973: 29). This point is critically important both in understanding the availability of culture as a resource for participants and, from a research perspective, in understanding its availability for study. The justification for this statement is relatively straightforward: (1) culture is a collection of meaningful texts; (2) but meaning requires some form of intersubjectively shared code with which meaningful objects and actions may be produced and interpreted; (3) therefore, to the degree that culture is meaningful it must depend on, in fact must incorporate, these codes; (4) therefore, culture itself must be intersubjective. We can no more create a meaningful text individually than we can redefine "banana" to mean "a tool used to pound nails" in any sensible way (Wittgenstein, 1958). Meaning itself is an intersubjective phenomenon and culture, as a network of meaningful symbols, is also intersubjective and therefore publicly available.

From a symbolic perspective, then, culture is a more-or-less organized system of texts that are used to interpret and structure the daily flow of social life. This system of texts is maintained and changed through communication of various kinds. It is publicly available and can therefore be interpreted by organizational members and interested extra-organizational participants (including researchers). Therefore, from this perspective, the study of culture requires the interpretation of a meaningful artifact - a text - in the hope of understanding its role in the ongoing re-creation of the organization and its effect on the various organizational and extra-organizational participants.

Culture & Power: A Structural-Symbolic View of Culture

But the conception of culture we wish to present here is more than simply a symbolic conception of culture, it is a *structural-symbolic* conception of culture. Following Thompson, we define structural-symbolic cultural analysis as "the study of symbolic forms - that is meaningful actions, objects and expressions of various kinds - in relation to the historically specific and socially structured contexts and processes within which, and by means of which, these symbolic forms are produced, transmitted and received" (Thompson, 1990: 136). Meaningful artifacts - texts - occur in particular social contexts, they bear traces of their construction, and are affected by the context in which they are received. Their meaning is therefore conditioned by the nature of the social context in which the text occurs, and an analysis of a text is greatly enhanced by an analysis of its social context.

Thompson's development of a structural-symbolic conception of culture grows out of his dissatisfaction with the general failure of symbolic cultural theorists to deal with problems of power and social conflict. In understanding culture as symbolic but failing to emphasize the differing social resources of different actors, symbolic cultural theorists fail to include a central aspect of the process by which culture is created and sustained. *While everyone participates in the creation and maintenance of culture, not everyone participates equally.* Without some sensitivity to the relation of culture and power, the symbolic conception of culture is left without a way of understanding the impact of cultural manipulation by the powerful; it is bereft of any critical component.

It is at this point where the relation between culture and power becomes clear. By carefully managing communication, and therefore the process of cultural production, powerful individuals and groups can legitimate their position and institute a form of social control that removes the need to exercise control directly. By managing the social fabric, taken-for-granted social categories and practices can be produced, causing particular social arrangements to be experienced as natural and unavoidable. Within the organization, this kind of social control is, in fact, a centrally important aspect of power relations with overt applications of power only required when covert forms of social control fail (Pfeffer, 1981: 24-25). As Clegg and Dunkerly argue, "individual power relations are only the visible tip of a structure of control, hegemony, rule and domination that continues to appear to be *the* natural convention. It is only when control slips, taken-for-grantedness fails, routines lapse and problems appear that overt exercise of power is necessary" (1980: 481).

But this phenomenon is not constrained by the boundaries of the organization. Outside the organization the same phenomenon occurs. The management of the organization's image is an important management task that can "serve to mollify groups that are dissatisfied with the organization, thereby insuring there continued support of the organization and the lessening of opposition and conflict" (Pfeffer, 1981: 35). In an effort to manage the perceptions of important stakeholders, organizations produce a variety of texts - everything from corporate architecture to corporate sponsorship activities - that seek to structure the understanding of important stakeholder groups

(Dowling & Pfeffer, 1975). These extra-organizational texts, and their role in structuring the organization's image with stakeholder groups, is of equal interest from an hermeneutic perspective.

Characteristics of a Text

The structural-symbolic view of culture provides a basic frame for approaching instances of organizational communication as texts. It emphasizes the importance of the text itself and the environment in which it occurs in understanding the role of the text in the production of the organization at a symbolic level. But what specific dimensions of social reality should we attend to in analyzing culture? What aspects of a particular text are important? While the important aspects of the text and its context cannot be precisely defined *a priori*, five general characteristics of texts provide a framework for investigating the management of culture: the intentional, conventional, structural, referential, and contextual aspects (Thompson, 1990: 137). These five aspects form the foundation of the critical hermeneutic method.

The intentional aspect. Texts are produced by someone and are intended to be received by someone; they are not natural occurrences but rather intentional acts of some individual. They are purposeful constructions meant to carry a particular meaning and are understood as such by the recipient. This is not to say that there is any particular relation between the recipients interpretation of a symbolic form and its producer's intent. Rather, it is simply to say that texts are created purposefully and for the purpose of communication with someone else. For example, the assignment of offices in a company is generally a purposeful act of an individual or group reflecting their understanding of the corporate hierarchy and of the norms of office assignment. As such, the arrangement of offices is intended to communicate something and is an interesting subject for a critical hermeneutic analysis.

The referential aspect. Texts are symbolic: they say something about something; they refer in some way to something outside themselves. When invoked in specific circumstances, texts are generally references to particular things in the world. For example, the imposing architecture of corporate head offices is clearly intended as a statement about their corporate occupants. The competition for the largest and most imposing building in each city attests to the importance of this symbol to corporate management. It is the relation of texts (i.e., office buildings) to referents (i.e., corporate occupants), and the possibility that symbolic forms can condition recipients (i.e., stakeholders, competitiors, customers) understanding of the referents, that makes the relation between power and culture such a critical area of study.

The contextual aspect. From a structural-symbolic perspective, the meaning of a text is inseparable from the social and historical context of its production and presentation. For example, the meaning of a particular organizational story differs depending on who tells the story, who is present during the telling, and whether it is told in the boardroom or on the shop floor. How texts are created, who they are created by, and the media through which they are passed are all important aspects of the context.

The conventional aspect. To be meaningful, texts follow rules or conventions of various kinds that are understood tacitly by members of a particular social group.

The ability of subjects to produce meaningful texts for interpretation by others is dependent on some general agreement, usually taken-for-granted, on the conventions by which the text is encoded and decoded (Schall, 1983; Winch, 1958; Wittgenstein, 1958). For example, in reading English we read from left-to-right and from top-to-bottom. However, this is only a social convention as the Chinese practice of reading shows. This is not to say that the conventions used for decoding and encoding need coincide, but simply that some convention must exist and be accessible to each participant for the symbol to be produced and then interpreted. This is also not to suggest that conventions exist that will produce "the" interpretation as texts of any complexity are usually ambiguous and their interpretation indeterminate to some degree.

The structural aspect. Texts are constructions that display an articulated structure. By this we mean that texts (for example, a business letter) are constructed from elements (words) that stand in a particular relation to one another (are arranged in a particular order, in lines, paragraphs, etc.). In a television advertisement for a soft drink, for example, a famous musician (element 1) may be placed in the same frame as a particular soft drink logo (element 2) while the musician plays the soft drink's marketing jingle (element 3). The jingle, the celebrity, the background, the lighting, and a myriad of other elements are presented to the television audience in a particular way in this text. The "meaning" of the advertisement lies in the particular relationship of the elements, not in the elements themselves, just as the meaning of a business letter lies in the arrangement of the words.

These five aspects of texts complete the foundation of critical hermeneutics (see the first two columns of Table I-1). We now have a conception of culture as a network of texts produced through the communicative interaction of organization members. This network of texts is used to impose meaning on experience, to communicate with others, and to legitimate patterns of social relationships. The process through which this network is produced is complex and contested with individuals and groups struggling to produce and disseminate views of the world conducive to their interests. We have also argued that this network, and the process through which it develops, is public and therefore available for study and have outlined the important dimensions along which these texts should be analyzed. We are now ready to take this general theory of culture and the nature of texts and develop it into a more concrete approach to the study of culture.

Insert Table I-1 about here.

An Outline of the Critical Hermeneutic Approach

The critical hermeneutic methodology grows out of the hermeneutic phenomenology of Paul Ricoeur (1971, 1978a,b,c). Following Ricoeur, the critical hermeneutic method formally decomposes interpretation into a dialectical[5] process involving three moments: a moment of social-historical analysis encompassing the first three characteristics of a text, a moment of formal analysis encompassing the last two characteristics of a text, and a moment of interpretation/re-interpretation in which the formal analysis and the social-historical analysis are brought together. In interpreting a text, one can, and should, analyze the social-historical context out of which the text has arisen: texts always have a context. But one should also analyze the text formally, as a system "of signs abstracted from lived experience" (McGuire, 1981:183). From a critical hermeneutic perspective, neither approach is superior, each is a moment in the interpretive process (Ricoeur, 1971, 1978a,b,c; Thompson, 1981, 1990). Having completed the social-historical and formal analysis, these two moments must be creatively combined - in the moment of interpretation/re-interpretation - to produce an interpretation of the text and its role in the social system of which it is a part. This decomposition of the process provides a structured framework for the researcher and allows the reader to follow the researcher's activity and judge more clearly the value of the final conclusions.

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[5] By dialectic, Ricoeur refers to the inter-related, inter-dependent, and mutually modifying relation of the subjective and objective moments or phases of the process of interpretation (see Benson, 1977). The three moments of interpretation form an interpretive whole; they are mutually modifying and through their interaction produce

But while the approach is hermeneutic, it is also critical: it is concerned with the role of communication in the ongoing maintenance of the asymmetrical relations which characterize a particular organization. The examination of the social-historical context of the production, transmission, and reception of the text provides an opportunity to include a concern for the role of communication in the development of

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an instance of interpretation.

relations of power and enduring asymmetries of opportunity and life chances[6] (Habermas, 1970, 1975, 1984; Held, 1980; McCarthy, 1978). It allows the introduction of an emancipatory interest and provides an opportunity to reflect critically on the social structures and taken-for-granted conventions and rules that underlie a particular social system (Alvesson, 1985; Alvesson & Willmott, 1992; Aktouf, 1992; Deetz, 1985). The critical hermeneutic methodology asks how does the communication process in and around a particular organization function? For whose benefit does it operate? Who is allowed to participate?

An Example: Syncrude Canada Ltd.

In the remainder of this paper we have two objectives: (1) to present in detail the analytical framework of critical hermeneutics; and, (2) to demonstrate its application to organizational research through the analysis of an instance of corporate communication. In this section we will introduce the example that we will analyze in the remainder of the paper - a recent image advertising campaign by Syncrude Canada Ltd. - and discuss the perspective from which we will approach the example.

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[6] It is at this point, then, that critical hermeneutics moves dramatically away from the related poststructural, and particularly deconstructive, approaches that have recently appeared in the management literature (Calas & Smircich, 1991; Cooper & Burrell, 1988; Kilduff, 1993; Martin, 1990). Where critical hermeneutics examines texts and their context in order to understand their role in producing or reinforcing particular understandings, and hence conditioning social relations in particular ways, poststructural approaches attempt to expose the endless interpretations possible in any text and the role of power in the production of any one meaning (Calas & Smircich, 1991: 570-571). While any critical hermeneutic interpretation is provisional and open to critique, underlying the entire process is the idea that some interpretations are better than others and that, while there are many possible interpretations, some are closer to a true understanding of the role of that text in the ongoing creation and maintenance of a set of social relations. In other words, while texts themselves are ambiguous, they have meanings when encountered *in a context*, and critical hermeneutics is a method of trying to understand their meaning given a particular social-historical context. We are not interested in showing that the text *can* be interpreted in a particular way, but are interested in making a case that it *should* be understood in a particular way given the nature of the text and the context in which it occurs.

In approaching corporate image advertisements from a critical hermeneutic perspective, we are consciously approaching them as texts that play a role in the ongoing reproduction of the corporation. They are understood as an active attempt to manage, in some limited fashion, the corporation's interactions with its environment (Neilson & Rao, 1987). Corporate image advertisements attempt to develop a favourable impression of the organization among important stakeholders (Bernstein, 1984); their goal is to develop a positive and recognized corporate persona among important stakeholder groups (Sapienza, 1987). As a mode of mass communication, image advertising both *informs* - that is transmits information - and it *transforms* - it produces new understandings of the world through the creation of new myths and symbols (Leiss, Kline, & Jhally, 1986). Image advertising is a particularly rich form of communication that consciously presents information and an interpretive frame within which that information is to be interpreted.

The image advertisements considered here are therefore an excellent example of the kinds of texts that are of interest from a critical hermeneutic perspective: they are complex symbolic texts produced by an actor (in this case corporate management) in an effort to manage the understandings of an important constituent. The corporation is actively using the resources at its disposal - its position of power - in an attempt to structure the understandings of a particular group in a way which is favourable to the organization. The nature of the texts themselves, the context of their production, and their role in the development of Syncrude's corporate image are the focus of the analysis. The three image ads that will be considered in the remainder of this paper are described below.

Ad #1 - The Sand Castles Ad

The first advertisement, the sand castles ad, appears on page 76 of the November 9, 1992 issue of the Canadian edition of *Time* (see Figure I-1). The advertisement occupies a full right-hand page. The background is white. At the top of the page, in reverse printing on a red rectangle, are the words "Innovation in Energy". The remainder of the top one half of the page is taken up by large black print and an image of a small pile of oil sand, looking very black against the white page. A child's shovel is stuck in the sand and a flowered child's pail sits nearby as if both have been left just as their owner was about to build a sand castle. The printed text, which begins above the pail and oil sand, reads, "It won't build great castles," - at this point one encounters the pail and the sand - "but it is building great schools, hospitals and services for Albertans". Under this, printed in small type and in two columns, is the following:

> Since production began in 1978, Syncrude has been building good things for Albertans. With over $1.5 billion in provincial royalties and profit-sharing and over $300 million in tax revenues paid to provincial and federal governments so far, we've added significantly to the quality of life we all enjoy.

> In addition, we spend almost $1 billion annually in goods, services and salaries. Dollars that are spent not only with private companies in Alberta - but across Canada as well. The best part is, these economic benefits don't come at the expense of something we have been earning for quite a while now: A profit.
>
> So while oil sand will never build great castles, it is building a great future for all Albertans.

Following this text is the Syncrude logo in red - complete with a maple leaf in concave of the "n" in Syncrude - and a list of the partners in the Syncrude project. Across the bottom of the page is the following statement: "The world's largest producer of synthetic crude oil, Syncrude produces more than 60 million barrels of high-quality light sweet crude oil annually, meeting 11 percent of Canada's petroleum needs".

Ad #2 - The Safety Ad

The safety ad appeared on page 50 of *The Alberta Report*[7], on November 23, 1992 (see Figure I-2). It is identical in format to the sand castles ad described above. At the top of the page, in reverse printing on a red rectangle, are the words "Innovation in Energy". Then, in large print, we are told "Our innovative worker programs may be a big investment," - here we encounter a photograph of a family sitting on their front step - "but the returns are priceless". The picture of the family is tilted about fifteen degrees. It is obviously intended to look like a snapshot, complete with a white border and a shadow along the bottom and up the right side as if the

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[7] *The Alberta Report* is an influential, weekly news magazine published in Alberta. The editorial policy is highly supportive of the current provincial government and reflects the conservative political climate of the province.

picture where not really part of the ad but rather simply laying on top of it. The photograph shows the "typical family", with the father standing on the ground and to the left, the mother seated on the first step in the centre of the picture, and the younger daughter and older son kneeling on the step to the right of their mother. The mother holds a small dog. Behind them is a segment of the front of their house, framed by a leafy tree and the just visible front tire and handlebars of a small girl's bicycle. The father's left hand rests affectionately on the mother's right shoulder. Below this picture in smaller type are the words "Syncrude's comprehensive loss management programs protect our most valuable asset - and our bottom line". The printed text continues in two columns in small type:

> At Syncrude, employees aren't numbers. They're people. With families, friends, and future dreams. They're also an important investment. One we'd like to protect. Particularly from preventable accidents or injury.
>
> That's why our worker safety and rescue programs are among the most innovative in the world. And the world has noticed. By awarding Syncrude the prestigious International Loss Control Institute safety award. Only the second time this award has been given in the Institute's 16 year history.
>
> This emphasis on worker health and safety has created not only a better place to work, but has also improved efficiency through fewer lost hours. The result? A profitable company where both workers and the future look very healthy indeed.
>
> The remainder of this ad is identical to the previous ad.

Ad #3 - The Natural Source of Energy Ad

The third ad, the natural source of energy ad, appeared in the Canadian edition of *Time* magazine, on November 30, 1992 (see Figure I-3). The ad follows the same format as the first two ads. The large text begins, "When we came up here we discovered an incredible natural source of energy." At this point the reader encounters a picture, tilted 30 degrees to the left, of five (apparently aboriginal) Syncrude employees in coveralls and hard-hats. The employees are standing in a relaxed group, outdoors, apparently at the site of one of the mining operations. The ground is sandy, and in the background it stretches off behind them in the distance. There is no grass or trees in the picture, except for a thin line off in the distance on the horizon. The text underneath the picture reads, "(And the oil sands were pretty impressive too)". The printed text continues in two columns in smaller print:

> The aboriginal people of the Fort Chipewyan and Fort McKay regions know a lot about responsible resource development. They've been doing it for centuries. So when Syncrude began development of the Athabasca Oil Sands, we tapped into this tremendous human resource. Providing training, jobs, and opportunities for native owned businesses.
>
> In return, we got energetic, enthusiastic and imaginative workers who not only helped us succeed as a company - but helped themselves in the process.
>
> Today we're the largest private sector employer of natives in Canada. And we award almost $20 million in contracts annually to native-owned businesses. Thanks to their energy, we're successfully developing ours.
>
> The remainder of the ad is identical to the previous two ads.

Limitations of the Written Presentation

In the remainder of the paper, the analysis is divided into three parts, with one part of the analysis following each of the three theoretical sections discussing the three moments of the critical hermeneutic method. Implicit in our analysis is the *interdependence* of the three moments. While the limits of written presentation produce the appearance of a linear analysis - first the social-historical analysis, then the formal analysis, and finally the moment of interpretation/re-interpretation - the reader is asked to keep in mind that the process of interpretation is a dialectical one and that the three moments are inter-related in complex and mutually reinforcing ways that are poorly reflected in a written presentation. For example, while we present the social-historical analysis first, as if it occurred before and independently of the other two moments, it is, in fact, guided by an indepth knowledge of the advertisements that is unavailable to the reader until the next section. This limitation of written texts is unavoidable and we simply ask that the reader keep the actual nature of critical hermeneutic analysis in mind.

The Social-Historical Moment

A Theoretical Perspective

The social-historical moment of the critical hermeneutic method involves an examination of the producer of the text, its intended recipient, its referent in the world, and the context in which the text is produced, transmitted, and received. The aim of this phase of the process is to reconstruct the social and historical conditions of production, circulation, and reception of the text (Thompson, 1990). This moment is an attempt to reflect critically on the intentional, referential, and contextual aspects of the text (see Table I-1).

The social historical analysis of a text begins with a consideration of the intentional aspect. Who produced the text and who was the text produced for?

Understanding the source of the text and its intended recipient provides some insight into the kinds of interests that led to its production in the first place and some idea of why particular conventions and media were used.

We must also, at this point, investigate the referential aspect of the text. What is the text about? What aspects of the world is this text addressing? These questions can further our investigation into the interests behind the text and can help us to critically examine the text as an interested attempt to create a particular understanding of some portion of the world.

The answers to these questions set the stage for a consideration of the contextual aspect of the text. Once we know who produced the text, who it was produced for, and what it refers to, we can then begin an analysis of the context of the text. The context can be analytically divided along two dimensions. First, texts occur in the world at particular times and in particular places. In interpreting symbolic forms, and particularly in understanding their role in the creation and re-creation of social reality, we must be sensitive to the physical context in which the form occurred.

Second, while texts occur in physical settings, they also occur in social settings; they are produced, transmitted, and received by actors (i.e., individuals or groups) with access to certain resources, acting according to certain rules and conventions, and located in certain locations in the social structure. Actors have access to particular kinds of resources in society, resources that can be generally divided into three categories: economic resources - money, property, and other financial assets; cultural resources - knowledge, skills and educational qualification; and symbolic resources -

accumulated prestige and social position (Bourdieu, 1977). The resources available to an actor affects both their ability to create an acceptable symbolic form and how their symbolic forms are received by others. Similarly, the resources available to the recipient affect how the message is received and interpreted.

But we also must remember that actors are embedded in a social structure. Social structure refers to the relatively stable asymmetries and differentials that characterize the distribution of resources, power, opportunities, and life chances within a particular social group (Thompson, 1990: 150). Analyzing social structure involves the determination of categories, distinctions, and principles upon which differential access to resources and differential applications of rules and conventions occur. The examination of social structure also involves the exploration of social institutions - "relatively stable clusters of rules and resources, together with the social relations that are established by them and within them" (Thompson, 1990: 149) - and their role in the social structure within which the individual or group acts.

The results of the social-historical moment shares many characteristics of an interpretive case study. Like an interpretive case study, the social-historical moment can utilize a range of data sources and research methods including participant observation, structured or unstructured interviewing, archival research, and survey techniques. The objective is not to use particular methods but rather to use a range of methods to develop an understanding of the context in which the text was produced and received; any data source that adds to our understanding of the context is therefore appropriate regardless of its place in the traditional qualitative/quantitative dichotomy.

We can now use the above concepts - the intentional, referential, and contextual aspects of the text - to explore the context of the three image advertisements. The objective in this case is to develop an organizational biography that will frame the formal interpretation of the three advertisements carried out in the next section. We are particularly interested in the issues that have led to the image advertising campaign and to the strategies implicit in their construction. The ads are texts intended to condition the interpretive frameworks of the recipients of the ads; our task in this section is to understand the motivation for this attempt to manage culture.

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The information in this section is drawn primarily from three sources. First, the primary data source is publicly available newspaper and magazine articles. A database of articles (374 articles covering 1982 to 1992) were used to construct a general history of Syncrude and to develop a picture of the kinds of external issues facing the company. Second, Syncrude supplied several documents outlining their history and operations. These documents both provide information on the company and are further instances of image management. Finally, both authors are residents of Alberta and one of the authors spent several years working in the oil industry. Thus, we are "competent interpreters" of the advertisements in the sense that we are members of the group that Syncrude is addressing through this advertising campaign. These sources of data are combined to produce the following picture of the company and its environment.

Who is Syncrude? Syncrude Canada Ltd. is the world's largest producer of synthetic crude oil. The Mildred Lake site, about 370 miles north of Edmonton, Alberta, produces about 160,000 barrels of oil per day or about 60 million barrels per year (Bridges, 1989). This represents approximately 11% of Canadian oil production. The Mildred Lake plant site employs over 4,400 workers and about 1,000 contractors, and has an annual operating budget of over one billion dollars[8]. The Syncrude project represents a $3.7 billion investment shared by the private sector and the governments of Alberta and Canada.

What are the oil sands? The oil sands deposits are a layer of bitumen, sand, and water that occur at various depths over a large area of northern Alberta. The oil sands deposits contain almost two trillion barrels of oil; more than all of the proven deposits in the Middle East. The total oil sands reserves would provide for all of Canada's needs for over 200 years. Reserves recoverable using current technology stand at almost 200 billion barrels while estimates of recoverable reserves using new technology currently producing on a small scale total over one trillion barrels.

Producing oil from the oil sands, however, is a significant undertaking. The bitumen, a tarry black substance, is too thick to be produced in a conventional fashion and, in any case, is mixed with sand to form a sticky mass. To produce oil the bitumen must be separated from the sand and then processed into a light crude appropriate for refining. But the oil sands deposits exist under tons of overburden. The oil sands must therefore be either strip-mined as Syncrude is currently doing, or some other technique must be used to get the oil sand out from under the overburden. In addition, the quantity of oil sand that must be moved is immense, with two tons of oil sand producing just one barrel of oil. To make matters worse, all of this must be accomplished in an area where the annual temperature varies from over 100 F to below -45 F.

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[8] All figures are given in Canadian dollars. A Canadian dollar is currently worth approximately US$0.80.

The current issues facing Syncrude. There are currently three main issues facing Syncrude. First, Syncrude faces very high production costs relative to conventional oil in the same region. A barrel of synthetic crude costs about $14 to produce, compared to a production cost of about $4.50 for conventional oil (McMurdy, 1990). This high cost of production, combined with a high level of production, makes Syncrude highly sensitive to even a small downturn in oil prices. However, with conventional reserves declining, Canadian oil companies are interested in long term, stable supplies of oil. They need feedstock for their refineries and both they, and the governments involved, remember all too well the disastrous economic effects of the oil shortages of the 1970s. Yet, with production costs at $14, Syncrude's investors are highly exposed should oil prices fall.

Second, Syncrude has no real corporate existence. As a joint venture, partners are directly billed for the costs of production and they take their share of production in kind. Syncrude therefore has no ability to buffer its owners by applying losses to retained earnings. As an example, Imperial Oil owns 25% of Syncrude and therefore receives 25% of Syncrude's production every day and is billed regularly for 25% of Syncrude's costs. Twenty-five percent of any loss at Syncrude therefore passes directly to Imperial, leaving it highly exposed in an industry that values low cost production.

Third, the high cost of production has led several of the partners, including the Alberta Government, to try to sell their shares of Syncrude. For private companies, the high exposure of a Syncrude investment makes little sense when there are far less risky investments available and when the current economic situation leaves so little room for investments with a poor short-term outlook. For the governments involved, the investment was always intended to be short-term - and much of the government assistance was only provided under great duress to resuscitate an otherwise doomed project - and has now lasted almost 15 years. Yet, with 55% of a $3.7 billion facility up for sale, the chances of a quick sale are slim. Yet the bailout of investors leaves Syncrude unable to expand, scuttling its best chance to lower production costs.

Syncrude's solution to these problems was succinctly outlined by the president of Syncrude in a recent speech. His solution is threefold. First, the company must continue to improve performance in terms of reduced costs and improved safety, reliability, environmental protection, and social responsibility (Newell, 1991). Syncrude has already been remarkably successful at this having reduced costs by 50% since startup while improving on safety and reliability. However, continuing to reduce costs, particularly without expanding and generating further economies of scale, will pose a significant challenge to Syncrude.

Second, Newell also calls for a renewed "political vision" that will lead governments to share "in the upfront risk for both future economic returns and immediate social benefits such as job creation, native employment, and research and development" (1991: 36). Newell correctly points out that without government assistance to buffer the risk, further expansion will not occur, and Canada will become increasingly dependent on imported oil. Also, from his cost-cutting perspective, expansion is a very effective cost-reduction strategy.

Third, Newell points to the potential of new technology in making the oil sands more profitable. New technology to remove oil sand from under the overburden without strip mining could lower production costs significantly as mining costs represent over 50% of the cost of production. For this reason, Syncrude spends over $25 million per year working to improve its technology.

Summing up. We can now summarize the intentional, referential and contextual characteristics of the image advertisements. The ads are intentional products of Syncrude Canada Ltd., and are intended to be read by a particular group of Canadians - the readers of *Time* and *Alberta Report*. The ads are an attempt to create a particular image for Syncrude Canada Ltd., a large joint venture created to exploit the Alberta oil sands; the ads can therefore be said to refer to Syncrude Canada Ltd. The important aspects of the context of the ads are primarily social, and are centred around the institutional relations between Syncrude and its owners, particularly the governments of Alberta and Canada. Syncrude's high production costs have led to a number of difficulties that motivate and shape the image advertising campaign. Overall, the ads are an attempt by a large corporation to shape the understandings of an important stakeholder group - the politically aware readers of *Time* and *Alberta Report*.

The Formal Moment

A Theoretical Perspective.

The second moment of the critical hermeneutic method involves a formal analysis of the structural and conventional aspects of the text (see Table I-1). There are many different ways that texts can be analyzed formally, all of which share the characteristic that the text is separated from its context and analyzed as an articulated structure produced according to some set of conventions: semiotics (Barthes, 1973; Eco, 1976; Greimas, 1987; Hodge & Kress, 1988), conversational analysis (Sacks, Schegloff & Jefferson, 1974), ethnomethodology (Garfinkel, 1967; Gephart, 1979; Wieder, 1973), psychoanalytic criticism (Berger, 1991; Bowles, 1990, 1991) or any other objectifying[9] technique that is appropriate to the text can be used. Which particular formal approach is most appropriate depends on the text being interpreted and on the interests of the researcher. The point is not to use a particular formal approach but rather to use some appropriate formal technique as an objectifying moment in the interpretive process. The formal moment of the interpretive process reflects the intersubjective and replicable aspect of the text. While interpretation is always subjective, it is not subjective to the exclusion of an objectifying moment which can encompass any number of formal methods of analysis.

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[9] Formal methods are "objectifying" in the sense that they abstract the text from its context and analyze it using some framework which focuses on internal characteristics of the text's structure. English grammar, which analyzes sentences on the basis of categories such as noun, pronoun, and adverb, is an example of a formal technique; in grammatical analysis, it is not the meaning of the word, but its relation to other words, that is important.

In the case of Syncrude, we will formally analyze the advertisements described above using the semiotic approach of Roland Barthes (1967, 1973, 1988). Semiotics have been used in a number of analyses of advertisements (Barthes, 1973, 1988; Dyer, 1982; Leiss, Kline, & Jhally, 1986) and has proven to be a useful and appropriate technique.

Barthes' semiotic theory begins with a conception of signs drawn from the work of Ferdinand de Saussure, one of the founders of semiotics. According to Saussure (1974), a sign is the conjunction of a signifier and a signified, where a signifier is some physical manifestation such as a sound or a visible mark and a signified is a concept or an idea. The signifier and signified coexist as a sign; no sign exists without both and neither can exist separately from a sign. It is important to stress that the signified is *not* something in the world, that is the sign's referent, but rather some concept that can then be linked to the referent through the sign. For example, the signified of the sign "ox" is the concept or idea of a bovine draft animal, not any particular draft animal standing in any particular field. In a particular instance of use, however, the sign "ox" may refer to a particular object and may therefore attribute certain characteristics to it.

Beginning with this conception of signs, Barthes developed a threefold approach to the analysis of texts: texts can be analyzed at the level of denotation (signifiers and signifieds), at the level of connotation (what this says about some referent), and at the level of myth (how the text draws on complex cultural understandings or myths to support statements about the referent). For example, the Marlborough Man is not simply a man on a horse (the level of denotation), nor simply an argument for the quality of Marlborough cigarettes (the level of connotation), but rather a sign infused with a complex set of values - individualism, masculinity, and freedom - by a long and intense advertising campaign (the level of myth). Each Marlborough ad can be examined as a set of signs - a text - which denotes a literal meaning, which connotes some higher level meaning to point outside the text, and which draws on, and adds to, cultural myths in an effort to buttress and support the connoted meaning.

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Denotation. First, at the level of denotation, texts have a literal meaning (Barthes, 1988: 174). At this level, what is important is what is literally being said, not what is alluded to metaphorically. In looking at corporate image advertisements, the level of denotation reflects the actual information value of the advertisements, not what this information says metaphorically about the corporation. The level of denotation is therefore captured by the descriptions of the ads provided earlier.

For example, at the level of denotation the sand castles ad provides the following information: (1) oil sand does not build great castles; (2) Syncrude has provided $1.5 billion in provincial royalties and profit sharing since 1978; (3) Syncrude spends over $1 billion annually across Canada; and (4) they are a profitable company. But, at this first level of signification, we do not attempt to draw out the point of this information. We simply examine the ads on the basis of their information content. The three ads, examined at this level of signification, are simply texts with a particular structure, combining printed words and pictures in particular ways.

Connotation. At the level of connotation, however, we do try to understand the point of presenting this information in this way; the entire text becomes the signifier of another signified: the second level signified or connotated meaning. The literal, denoted meaning of the text acts as a signifier for some more metaphorical meaning; some meaning which depends on more complex cultural understandings to decode and which refers to something outside the text.

In this case, understanding this level of signification begins with the recognition that these texts are advertisements. Any competent member of the group intended to receive these texts will recognize them immediately as advertisements, and use this information, and the appropriate set of tacit decoding skills, to decode the advertisement. Once the text is recognized as an image advertisement, the reader immediately understands that the advertisement is an argument for the value and importance of the organization sponsoring the ad. The information is not presented simply to inform the reader, but rather in the hope that the reader will evaluate the organization and its activities in a particular way. The reader, in the act of interpreting the advertisement, is put in the position of a potential evaluator of the organization and is presented with some sort of coherent argument regarding the nature of the organization.

In the first advertisement, the sand castles ad, the connotation is that Syncrude is helping build the society of which it is a part; it is contributing significantly to Alberta and Canada. In the second ad, the safety ad, the connotation is again that Syncrude is a valuable and responsible corporate citizen, but this time because of its dedication to its workers: Syncrude may be a corporation, but it places the health of its employees above the bottom line. The third ad, the natural source of energy ad, echoes the first two ads: Syncrude is a valuable and responsible corporate citizen who contributes to the society of which it is a part through its employment of aboriginal peoples. At the same time, this ad parallels the second ad in that Syncrude is represented as a company who recognizes its dependence on people.

Myth. Finally, the double message of denotation and connotation join at the level of myth, the level at which metaphorical meaning is joined to literal meaning and at which the text, if successful, links together themes and symbols in a way that results in a modification of the interpretive frame of the recipient. The multiplicity of the text allows it to link information (denotation) to objects (connotation) in particular ways and therefore to produce new understandings of the world (myth). It is at this point that particular historically determined social relations become naturalized and taken-for-granted; it is at this point that corporate image advertising injects particular meanings into the existing corporate image.

So how should we understand these ads? What message is being conveyed at the level of myth? Beginning with the sand castles ad, if we start with what first catches our eye, the sand and the toys, we begin to understand that some important link is being made that will facilitate later information about the company. But what does the image bring to mind? First, the pail and shovel immediately bring to mind what is obvious by its absence: a child. The still, incomplete image, much more so than an active image of a child playing, invokes the powerful societal myths surrounding childhood. Perhaps even more importantly, the empty scene invokes the child or children closest to the reader. This invocation draws the reader in and positions him or her as a parent, a grandparent, an aunt, an uncle, or whatever. It places the reader in the frame of the responsible adult and prepares the reader for the presentation of information on the contribution of Syncrude to the province and the country. Not only do we know what Syncrude contributes after reading this ad but we are also in a position to evaluate that contribution in terms of schools, health care, and future employment for our children and our children's children.

The frame of responsible elder has another useful effect for Syncrude: it raises the question of energy sufficiency. What about energy for the children of today? The ad raises this question and associates it with Syncrude and with the fact that Syncrude is, as they tell us later in the ad, "Securing Canada's Energy Future". The invocation of the concept of children begins to build a set of relationships, a myth, around Syncrude and its activities. A myth that associates Syncrude with the solution of a number of problems and that frames the remainder of the ad in a way that makes a particular interpretation more probable.

The sand and the toys also provide a frame for understanding Syncrude; it brings Syncrude's operations down to a scale that is manageable and comfortable. The concept of playing in the sand and building sand castles replaces draglines 10-stories high and conveyor belts 20 miles long. The millions of tons of material handled by Syncrude and the related expense and environmental difficulties are softened and reduced by the pleasing image of a sand castle on a beach.

We are not arguing that the use of the metaphor of a sand castle is an attempt to say that Syncrude's operation is anything like building sand castles. Far from it. It is, however, an attempt to strike a chord with the readers, to create a frame that sets the stage for the later presentation of Syncrude's case in the text. The image is an effort to ensure that the information is evaluated in the way it is intended.

Examining the safety ad we can see several supportive themes. The picture in the centre of the ad is of a family in front of their house. The use of the picture of the family once again invokes ideas of sociality and responsibility and its apparent separation from the page links it (and Syncrude) to the world of the reader rather than the world of the ad. The man is standing, active and strong, while the woman and children are seated on the step, clearly subordinate. The metaphorical allusion is clear: Syncrude supports traditional families and traditional virtues. Moreover, by identifying the employee with the father (he is standing and centred), the meaning of the picture spills over onto Syncrude: it is concerned for its employees in the same way as the father is concerned for his family. By extension, and given the fact that employees have "families, friends, and future dreams", Syncrude's concern is for the whole of society. Therefore, this picture has a double meaning. It not only signifies Syncrude's relation to its employees and the society of which it is a part, but also functions to associate Syncrude with a symbol - the "traditional family" - which currently has great cultural currency in Alberta.

The natural source of energy ad draws on the myths surrounding the aboriginal peoples of Canada. In emphasizing its social responsibility, Syncrude points to its positive effect on the aboriginal communities of northern Alberta. At the same time, an association is made between Syncrude as a company and the environmental concern and spirituality of aboriginal peoples. The difference between the aboriginal community and the company is blurred, allowing the identification of Syncrude with particular aspects of the general societal understanding of aboriginal peoples.

The mythical side of these advertisements - the corporate image being constructed by the ads - can be summarized in the following points. Syncrude is:

1. Oriented to the Future: All three ads orient the reader to the future and to the potential contribution of Syncrude. The message - Syncrude is innovative and working hard to secure a source of energy for the future.
2. Simple and Safe: The first ad associates Syncrude with the most innocuous symbol: a sand castle. What could be less threatening, both physically and fiscally, than that. The second ad directly invokes the importance of employee safety, and points to Syncrude's success at improving employee safety, from both an moral and practical perspective. The third ad moves safety concerns up to the environmental level and links the environmental consciousness of the aboriginal peoples - "an incredible *natural* source of energy" - with Syncrude.
3. Socially Responsible: Syncrude is represented as a responsible corporate citizen, concerned with schools and hospitals, working hard to keep its employees safe, and concerned for community development and environmental safety. The invocation of the family in the safety ad, and the aboriginal community in the natural source of energy ad, both allow an identification of Syncrude with powerful symbols of social responsibility and add to the developing myth

presented in the ads.

4. Efficient: Running through the ads is a theme of efficiency and profit. Clearly, for a corporation, this is an important legitimating issue and one of particular gravity for Syncrude. Efficiency and profit are central themes in the general societal myth surrounding corporations and their value in society.

4. Contributing to Society: The ad clearly creates a very active and constructive image for Syncrude. The idea of building a sand castle, of innovating, of building good things for Albertans all orient the reader to the idea of creation and invoke the general societal value placed on growth. The role of Syncrude in employing aboriginal peoples also invokes and supports this kind of image and moves it forward by linking the idea of environmental responsibility and aboriginal concern for the environment to Syncrude.

5. Canadian: The use of red, of maple leaves, and the explicit references in the text all point to the oneness of Canada and Syncrude. Syncrude is working to secure Canada's energy future, it is providing jobs for Canadians, it is paying significant amounts of taxes. The image of Syncrude constructed by the advertisement is, therefore, not simply one of a successful energy company, but one of an energy company for whom national interest is a significant corporate concern.

The Moment of Interpretation/Re-interpretation

A Theoretical Perspective

The final moment of the critical hermeneutic approach involves the interpretation of the results of the first two moments. While facilitated by the social-historical and formal analysis, the moment of interpretation/re-interpretation proceeds in a very different fashion. Where the preceding two moments proceeded by breaking down the whole and examining the parts - in other words, by analysis - the moment of interpretation proceeds in the opposite direction: it operates by synthesizing the results of the previous two moments and producing a whole greater than the sum of the parts. The nature of interpretation makes the creative construction of meaning inescapable and it is in this moment that the analyst must inject meaning into the text and make some statement about the text and how it relates to its context and to the individuals who produced and received it.

How this synthesis should proceed in any particular case is not definable prior to the completion of the other two moments: critical hermeneutics always proceeds in uncertainty. In this way, critical hermeneutics parallels the development of grounded theory (Glaser & Strauss, 1967) and shares much of the ambiguity of ethnography (Van Maanen, 1988). The synthesis that the researcher develops is a product of the prior two moments and develops out of them in an ongoing process of interpretation. Ideas and understandings develop at various points in the process and are then tested and shaped as the two moments of analysis proceed. The final synthesis is therefore not a result of the application of a certain set of steps, but rather the product of an intelligent researcher working within the framework of his or her interests and skills. The value of the synthesis produced is therefore primarily determined by the creativity and skill of the individual researcher, not by the correct application of a particular method. The researcher must develop an interpretation of the text and its role in the context of the organization and justify this interpretation using the results of the previous two moments.

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In this section, we will bring together a number of the points discussed above in an effort to understand Syncrude's image advertisements as cultural artifacts. These texts present Syncrude and its activities in a particular way, are framed by particular societal myths, and are intentional acts of a powerful actor. The end goal of this analysis is to understand how these texts attempt to structure understandings in a way preferential to the producer of the text. We will approach this moment in three steps. First, we will discuss the information presented and, more importantly, point to the information left out. Second, we will discuss the interpretive frame developed in the ads and point to the conflicts which may be behind particular aspects of the image. Third, we will discuss how this information and interpretive frame contribute to the social relation in the field of interaction in question. These dimensions grow out of work in the sociology of advertisement which suggests that advertisements contain both information and an interpretive frame within which the producer of the ad wishes the information to be interpreted (Goldman, 1992). Added to this, of course, is the question of power and social relations central to the critical hermeneutic method.

Information content. In the case of these advertisements, it is useful to begin with a short discussion of what was not said in the ads. Looking at the level of denotation and the history of Syncrude we can come to some understanding of what is being minimized in the image of Syncrude presented. The following points are not intended as criticisms of Syncrude. Rather, they are simply alternative ways of looking at various aspects of Syncrude and its environment which help to point to the *possibility* that there are alternative understanding the world. They are intended as a way to question the naturalness of the relations presented in the advertisements; they are intended as examples of how the same information may mean something quite different when framed another way.

First, the contribution of Syncrude to the society in terms of tax dollars and jobs is a recurring theme in the three advertisements. Yet, the societal costs of Syncrude in terms of government investment and tax relief is never mentioned. How many jobs could have been created and what kinds of social services could have been provided with the billions of dollars provided to Syncrude over the years? The answer is, of course, a matter of speculation. What is known is that the cost has been very high and continues to grow.

Second, the environmental awareness of the company is alluded to in the natural source of energy ad. But how this awareness translates into action is far from clear. Syncrude is, after all, a very large strip mine which operates over a large area of northern Alberta. This kind of activity cannot be carried out without significant environmental impact. The activities of Syncrude and other oil sands operators remains a serious issue among environmentalists.

Third, while the contribution of the company to the local community is an important theme in ads, particularly in the natural source of energy ad, the tremendous social dislocation caused by a project of this magnitude in such an undeveloped area remains a concern. During construction, the project employed 7,500 workers directly with another 2,500 fabricators working at other locations. Yet this work only lasted a few years and resulted in a unsustainable movement of population and an artificial boom in some segments of the workforce. In Alberta, the cost of construction on other projects was inflated by a shortage of skilled personnel, the overall effect of which is unknown. Understandably, this social dislocation and unsustainable development is part of the governments hesitancy to underwrite further mega-projects.

Fourth, from an environmental perspective, why are are governments spending so much money developing such an expensive resource when they could more cheaply replace at least a portion of the oil produced through conservation. What would be the effect on oil consumption of several billion dollars of government funding. The ads present increasing oil production as the only alternative to resource exhaustion, while environmental groups argue, much less successfully, for more conservation and less development. Clearly, one undercurrent within the ads considered is a reaction to this argument.

Finally, all three ads inform us that Syncrude makes a profit: despite their economic contribution, they make a profit; despite their commitment to safety, they make a profit; despite their contribution to their local community, they make a profit.

Yet while they may make a profit, is it commensurate with the billions of dollars required to build the plant? Clearly several of the partners do not think so.

Interpretive frame. The image Syncrude is developing in this ad draws on several important societal myths. First, the sand castle metaphor acts to simplify Syncrude's operations to a manageable level and makes a very large industrial operation approachable. Second, it draws on ideas of growth and innovation, both highly valued attributes in Western societies. Third, it orients the reader to the future, avoiding a evaluation of the project as a business and instead re-framing the evaluation as one of national interest and social contribution. Fourth, the safety ad and the natural source of energy ad both point to the concern of the company over its effect on its employees, society in general, and the natural environment; Syncrude is presented as encompassing a number of themes around safety and public concern. Fifth, all three ads point to the contribution of Syncrude to its local community, to the province of Alberta, and to Canada as a whole. This is a strong and recurring theme through all three ads. The final product is a complex sign that contains a new Syncrude myth, no longer a news item but instead an important part of Canada that deserves the support of the government and more recognition for its current, and particularly its future, role.

Power and social relations. In order to meet the challenges it currently faces, Syncrude needs the support of the provincial and federal governments, and the continuing support of its partners. It needs to replace the partners that wish to sell their shares and obtain funds for expansion. But it faces significant competition for funds from at least two other mega-projects and it faces an increasing unwillingness to participate on the part of the provincial and federal government. In addition, Syncrude needs to avoid further environmental legislation or other controls that may add to the cost of production. These ads are a part of Syncrude's effort to retain, and perhaps even enhance, the public support necessary to obtain government support and to avoid legislation.

These ads are an attempt to create a corporate image, a myth, that will legitimate its activities and facilitate its further attempts to raise money; it is an attempt to manage its macro-cultural or societal environment. Syncrude, as a joint venture, has never had a well-developed corporate image; it is not listed on any exchange and it has no direct contact with the general public (through retail outlets, for example). Prior to this campaign, most Canadians did not know Syncrude existed. This advertising campaign is an obvious attempt to change this and generate support among Canadians for further government involvement.

The advertisements are an attempt to structure the understandings of a segment of the general public in order to facilitate further attempts to find capital, both to replace partners who wish to sell and to expand in order to secure further lease rights and lower production costs. The ability of Syncrude to advertise in these magazines reflects its privileged position in Canadian society. Opponents such as environmental groups, residents of the areas affected by development, citizens concerned about government spending, aboriginal groups, and small oil companies who do not benefit from equal government spending do not have the same access. Their lack of resources - primarily financial - limits their ability to present the opposing case and provides

Syncrude with an advantage in structuring understandings in a way which favours their interests. If these ads are successful, they will reduce opposition among the general public to further government support and provide a reservoir of goodwill should Syncrude decide to sell shares or encounter some other difficulty such as an environmental accident. From the perspective of critical hermeneutics, the ads are an attempt to structure the understandings of an influential group of Canadians in order to facilitate the future activities of Syncrude.

Power, Culture, and Communication. The critical hermeneutic method focuses on the role of particular texts in the ongoing re-creation of patterned social relationships. How powerful actors work to shape the understandings, and hence behaviours, of constituents is the primary phenomenon of interest from this perspective. While the dimensions of the above synthesis - information content, interpetive frame, and social relations - are specific to advertisements, the general approach to synthesizing the preceding moments is not. The overall goal of this moment is to produce some understanding of how an actor (i.e., Syncrude), in a particular social situation and with access to particular resources, produces a text (i.e., an image advertisement) which is communicated to a particular group (i.e., readers of *Time* and *Alberta Report*) in order to deal with some set of issues facing the producer of the text. In this case, Syncrude has experienced a reduction in private and public sector support for its activities. Using its preferential access to resources and channels of communication, Syncrude has set out to remedy this situation by appealing directly to Canadians using a number of widely shared societal myths and then linking these myths to Syncrude and its activities. Syncrude has attempted to weave together a number of highly legitimate societal myths in order to produce a new myth: a highly legitimate corporate image. If successful, this new myth would presumably result in increased public awareness and support.

Conclusions and Implications

Management is a communication intensive activity, and the study of management must deal with the centrality and complexity of this aspect of management. As Jackall (1988: 134) observes:

> At any given moment in most major corporations, one can find a vast array of vocabularies of motive and accounts to explain, or excuse and justify, expedient actions; ideas and schemes of every sort peddled to managers by various outside consultants that purport to solve organizational problems or simply provide further rationales for what has to be done; and ideological constructions of managers grappling with the whirlwinds of discontent and controversy endemic to our society that, it seems, inevitably envelop the corporation. Managers have to be able to manipulate with some finesse these sophisticated, often contradictory symbolic forms that mask, reflect, and sometimes merely sweep through their world.

In the modern corporation, success in management is directly dependent on the ability of managers to manipulate symbols, whether it be a speech at a corporate breakfast or a letter to the stockholders. Moreover, "the higher one goes in the corporate world, the more this seems to be the case; in fact, advancement beyond the upper middle level depends on one's ability to manipulate symbols" (Jackall, 1983: 128).

At the same time, other powerful actors are attempting to manipulate culture.

Unions, interest groups of various kinds, professional associations, governments, and others all work to try and create or maintain particular understandings of an organization and its activities. The organization, and its context, form an arena in which groups and individual struggle to disseminate preferred understandings of the world.

From this perspective, the symbolic aspect of organization becomes a field of conflict in which actors - at all levels - struggle to reframe understandings in ways which privilege their position and increase their power and influence. The cultural framework of an organization, often taken-for-granted by both researchers and participants, becomes an important field of organizational and extra-organizational conflict. In an operation parallel to the staining of a biological specimen, the transparency of cultural phenomena is replaced, revealing a ongoing process of symbolic production, circulation, and destruction.

The method outlined in this paper, a critical hermeneutic approach, is intended as a framework for approaching this aspect of organizations. It combines a recognition of the inescapably interpretive aspect of the examination of the manipulation of symbolic forms with an objectifying formal moment of analysis. We believe the approach has five primary advantages.

First, the critical hermeneutic methodology emphasizes the relationship between culture, communication, and power and points to the identity of this phenomenon at all levels: at the level of the macro-culture, the organizational culture, professional cultures, and at the level of organizational subcultures.

Second, the methodology openly recognizes the inescapable need for creative interpretation by an analyst. While some culture researchers have worked hard to become "scientific", they have too often done so by obscuring the inescapable moment of interpretation/re-interpretation. The critical hermeneutic approach makes the interpretive activity of the researcher available for discussion and critique, a much better alternative.

Third, by explicitly including the formal moment, the methodology allows the integration of several useful, but relatively underused, methods. This addition extends more traditional qualitative methods to produce a deeper understanding of the role of texts in the development of patterned social relations.

Fourth, the relationship between the objectifying moment and the subjective moment is understood as dialectical, not dichotomous. While perhaps a form of triangulation in that critical hermeneutics recognizes the complementarity of different methods (Jick, 1979), critical hermeneutics moves beyond triangulation in recognizing the dialectical interdependence of the two moments.

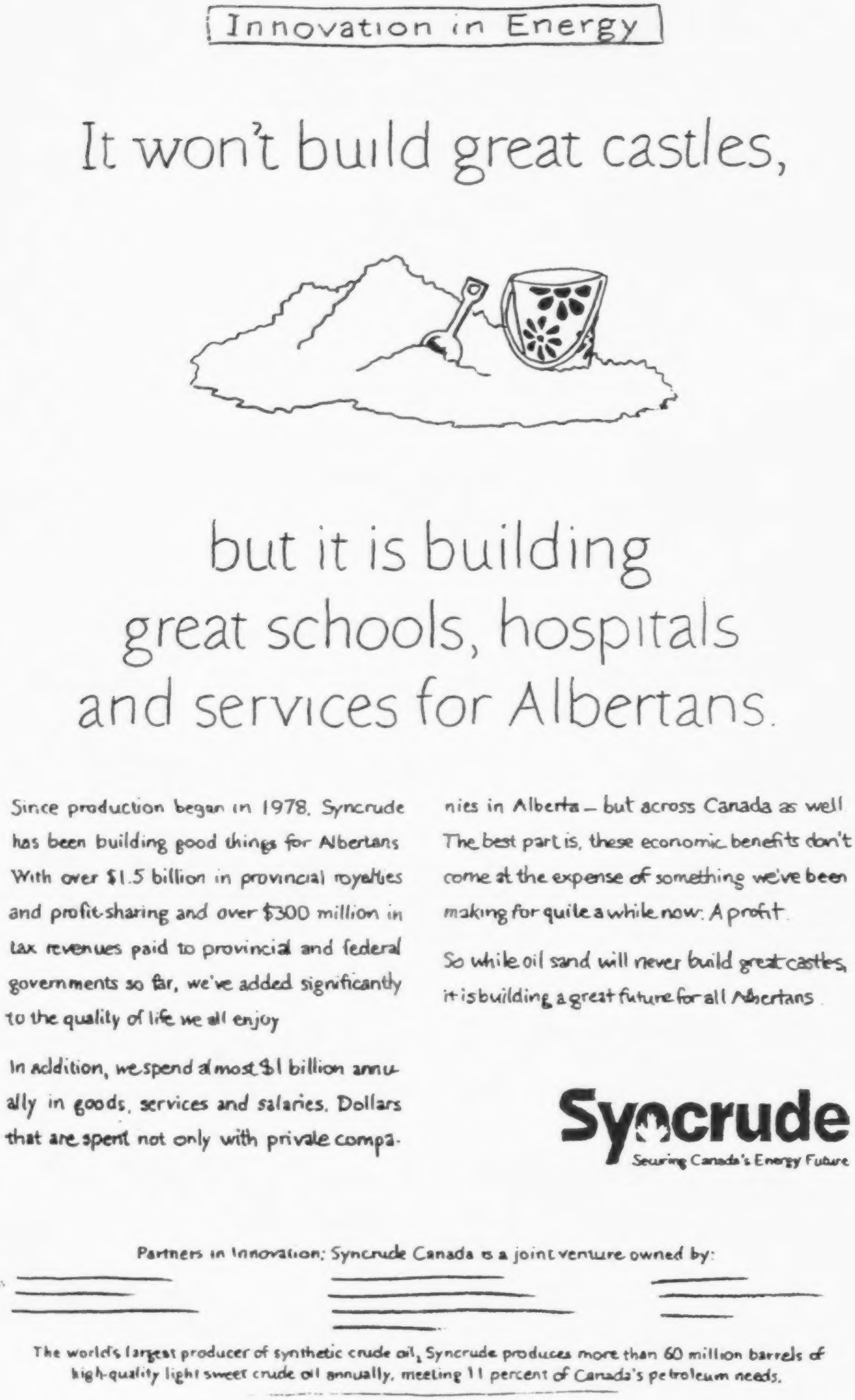
Fifth, in adopting a critical stance, our method openly admits the impossibility of value neutrality in social science. As Deetz (1985: 123) points out, "the choice of research conceptions, questions, and methods is always value laden". All knowledge comes with a point of view and the best that we can do is to be critical and reflexive and examine the taken-for-granted assumptions of ourselves and others.

In addition, the methodology can be used in at least three different ways. First, it can be used in longitudinal studies where a sample of the texts produced over time within one organization or group can be analyzed in order to understand their role in the evolution of the power structure. Second, it can be used in comparative studies, comparing the kinds of cultural management - the way various groups come to power - across organizations or other groups. Third, particular kinds of texts can be investigated across a range of organizations. For example, inter-group conflict between Information System departments and user departments could be investigated in a range of organizations to understand how computer systems functions as texts - how they comes to have one meaning and not another - across organizations.

The critical hermeneutic approach presented in this paper is an attempt to deal explicitly with a difficult and under-researched area of management: the intersection of culture and power. It is an attempt to provide an approach to the study of culture that remains interpretive, yet contains a important critical moment and encourages the use of under-utilized methods. The critical hermeneutic method moves towards a more complex view of cultural phenomena, reflecting more recent work on the role of culture in the patterning of social relationships (Thompson, 1990). In combining a critical perspective with an interpretive theory, the approach produces research that is more reflective and, hopefully, more open to debate and critique.

Characteristics of a Text	Description	
The Intentional Aspect	Texts are not natural occurrences, but intentional acts of some individual or group.	The Social-Historical Moment
The Referential Aspect	Texts are constructions which represent something, refer to something, or say something about something.	
The Contextual Aspect	The meaning of a text is inseparable from the social and historical context of its production and reception.	
The Conventional Aspect	As meaningful constructs, texts follow conventions of various kinds.	The Formal Moment
The Structural Aspect	The meaningfulness of a text lies in the relation of the elements that make it up. This relation is the text's structure.	

Table I-1: The Characteristics of a Text



Innovation in Energy

It won't build great castles,

but it is building great schools, hospitals and services for Albertans.

Since production began in 1978, Syncrude has been building good things for Albertans. With over $1.5 billion in provincial royalties and profit-sharing and over $300 million in tax revenues paid to provincial and federal governments so far, we've added significantly to the quality of life we all enjoy.

In addition, we spend almost $1 billion annually in goods, services and salaries. Dollars that are spent not only with private companies in Alberta – but across Canada as well. The best part is, these economic benefits don't come at the expense of something we've been making for quile a while now: A profit.

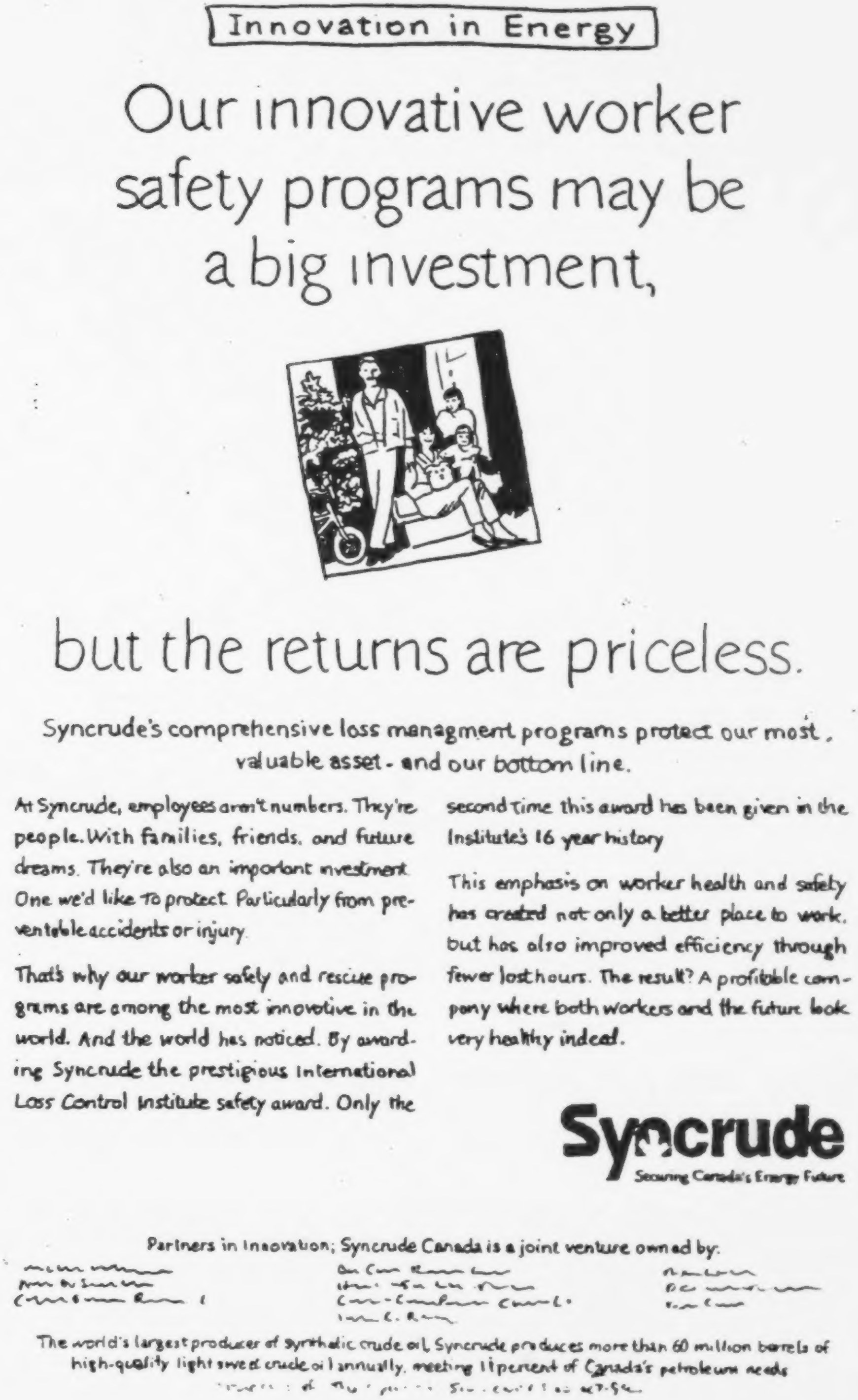
So while oil sand will never build great castles, it is building a great future for all Albertans.

Syncrude
Securing Canada's Energy Future

Partners in Innovation: Syncrude Canada is a joint venture owned by:

The world's largest producer of synthetic crude oil, Syncrude produces more than 60 million barrels of high-quality light sweet crude oil annually, meeting 11 percent of Canada's petroleum needs.

Figure I-1: The Sand Castles Ad



Innovation in Energy

Our innovative worker safety programs may be a big investment,

but the returns are priceless.

Syncrude's comprehensive loss managment programs protect our most valuable asset - and our bottom line.

At Syncrude, employees aren't numbers. They're people. With families, friends, and future dreams. They're also an important investment. One we'd like to protect. Particularly from preventable accidents or injury.

That's why our worker safety and rescue programs are among the most innovative in the world. And the world has noticed. By awarding Syncrude the prestigious International Loss Control Institute safety award. Only the second time this award has been given in the Institute's 16 year history.

This emphasis on worker health and safety has created not only a better place to work, but has also improved efficiency through fewer lost hours. The result? A profitable company where both workers and the future look very healthy indeed.

Syncrude

Securing Canada's Energy Future

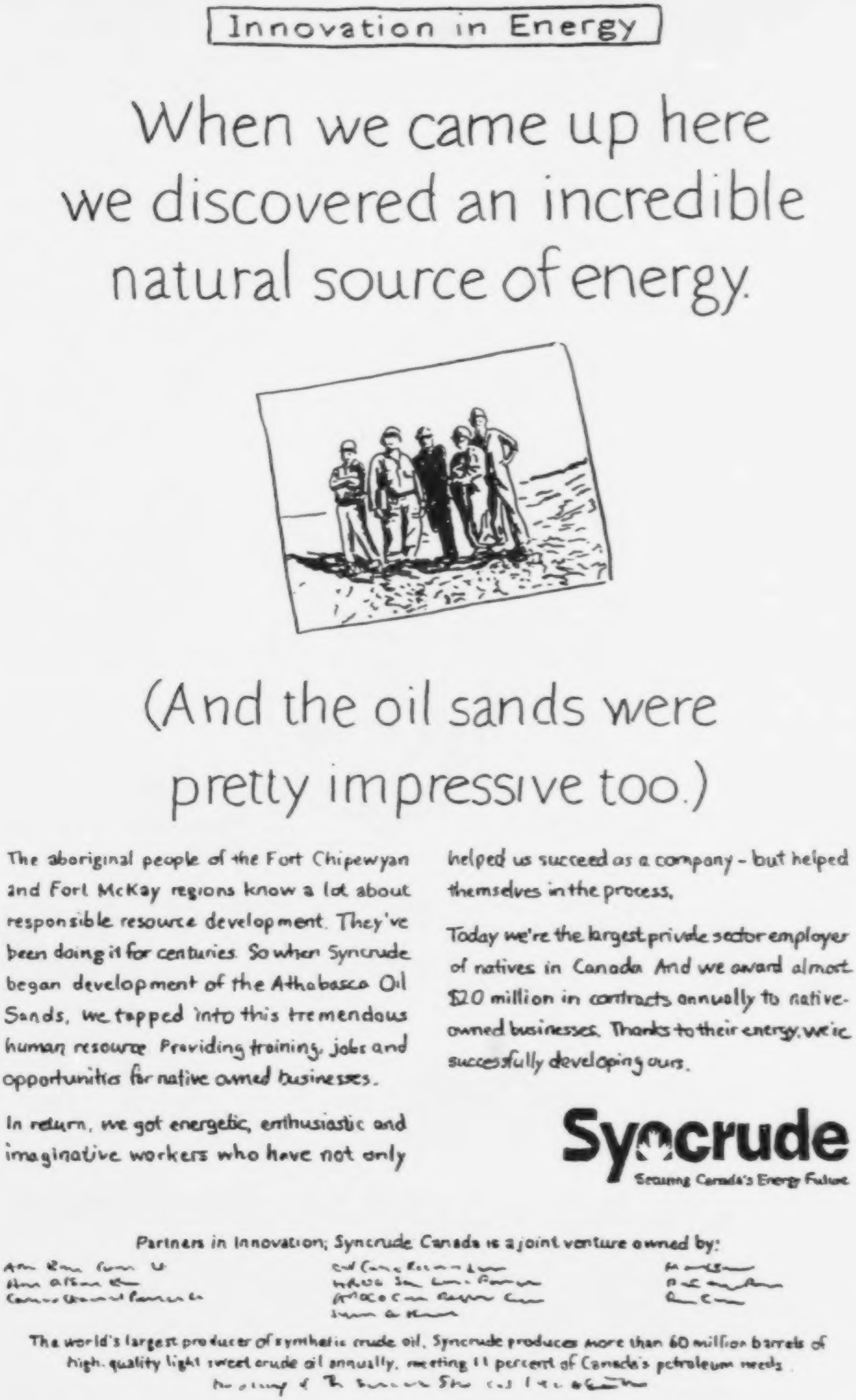
Partners in Innovation; Syncrude Canada is a joint venture owned by:

[illegible]

The world's largest producer of synthetic crude oil, Syncrude produces more than 60 million barrels of high-quality light sweet crude oil annually, meeting 11percent of Canada's petroleum needs

[illegible]

Figure I-2: The Safety Ad



Innovation in Energy

When we came up here we discovered an incredible natural source of energy.

(And the oil sands were pretty impressive too.)

The aboriginal people of the Fort Chipewyan and Fort McKay regions know a lot about responsible resource development. They've been doing it for centuries. So when Syncrude began development of the Athabasca Oil Sands, we tapped into this tremendous human resource. Providing training, jobs and opportunities for native owned businesses.

In return, we got energetic, enthusiastic and imaginative workers who have not only helped us succeed as a company - but helped themselves in the process.

Today we're the largest private sector employer of natives in Canada. And we award almost $20 million in contracts annually to native-owned businesses. Thanks to their energy, we're successfully developing ours.

Syncrude
Securing Canada's Energy Future

Partners in Innovation; Syncrude Canada is a joint venture owned by:

The world's largest producer of synthetic crude oil, Syncrude produces more than 60 million barrels of high-quality light sweet crude oil annually, meeting 11 percent of Canada's petroleum needs.

Figure I-3: The Natural Source of Energy Ad

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Paper 2 - The Management of Discontent: Toward a Social Semiotic Theory of Corporate (De-)Legitimation[10]

Gleaming skyscrapers flash across the television as the camera pans across the economic heart of Canada. The voiceover is firm, strong, and masculine: "Only one Canadian telephone company purchases over $2 billion worth of supplies and services from Canadian suppliers each year. Only one Canadian telephone company spends over $145 million dollars every year on research and development. Only one Canadian telephone company ....." The voiceover continues to inform us of the economic contribution of some unnamed corporate giant as the camera soars down surreal canyons of gold. Finally, the camera comes to rest and begins to zoom in on a single building, then a single floor, then a single office, and finally on a young woman, wearing a barely noticeable headset, seated in front of a computer screen. Just as the voiceover leaves us with the statement "There's only one ....", the phone rings and she begins to speak: "Bell Canada, Karen speaking. How may I help you?"

This advertisement is a small part of Bell Canada's ongoing effort to defend itself against incursions by alternative, long-distance, telephone suppliers recently allowed into the Canadian telecommunications market. As subscribers decide on a long distance telephone company, Bell is trying to ensure that it is understood as an important Canadian institution whose continued well-being is in the best interests of all Canadians. Its past history as an unpopular monopoly is reframed through direct mailings, newspaper ads and television commercials. In response to deregulation, the company is working very hard to provide cost effective service *and* to build an advantageous understanding of its role in Canadian society. Competing on price and service alone is not enough in the difficult world of long distance telephone service. Subscribers' hearts, as well as their minds, have become increasingly important, especially as the complexity of long distance plans makes the choice of a long-distance company as much a matter of trust as careful calculation.

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[10] An earlier version of this paper was presented at the 1994 Annual Meeting of the Academy of Management held in Dallas, Texas.

But Bell's attempts at reframing do not go unopposed. The battle for subscriber support takes place on a variety of fronts and includes a wide range of actors. Instead of Bell's ad, I could just as easily have included an advertisement by a competitor, a press release by a consumer group, or a statement by government regulators. In fact, I could have presented any of a wide range of texts produced by an equally wide range of actors as they vociferously present their point of view in every available media in a symbolic struggle for subscriber loyalty. As a result, long distance subscribers find themselves at the centre of a whirlwind of arguments and emotional appeals aimed at marshalling their support behind one of a range of alternative institutional arrangements and/or long distance companies.

From an organizational analysis perspective, these efforts to capture subscriber's hearts can be understood as instances of the management of legitimacy.

Legitimacy - generally understood as a measure of the congruence between an organization's actions and societal values - is one of the most useful analytical tools for examining the link between formal organizations and society (Dowling & Pfeffer, 1975; Richardson & Dowling, 1986). Just as the idea of a role provides a theoretical mechanism to link individuals with organizations, legitimacy provides the theoretical mechanism to link organizations to society. All formal organizations are more-or-less affected by this need to be recognized as legitimate: becoming illegitimate can result in decreased resource availability and, perhaps, organizational death (Sutton & Callahan, 1987). Conversely, increasing an organization's legitimacy with critical stakeholders can often help in the face of environmental uncertainty such as the increasing deregulation facing Bell Canada.

The social semiotic perspective that I develop in this paper begins with a recognition of the profoundly social nature of legitimacy: the legitimating practices current in a particular society are social phenomena, the process of legitimation is a process of social interaction, and the more-or-less legitimate organizational forms that result are ongoing social accomplishments. From this perspective, legitimacy is a *dialogic* phenomenon in the sense that it is dependant on dialogue between organizational stakeholders (management, employees, investors, customers, etc.) and a *semiotic* phenomenon in the sense that it depends fundamentally on symbolic texts produced by stakeholders. Social semiotics in general, and Bakhtin's dialogic perspective in particular, provides a theoretical foundation useful in investigating legitimacy and in analyzing the texts upon which it depends (Bakhtin, 1981, 1986).

Beginning with this theoretical foundation, I will re-examine earlier ideas of legitimacy and legitimacy management (i.e., Dowling & Pfeffer, 1975; Richardson & Dowling, 1986; Sethi, 1975, 1977, 1978. 1979). The importance of interpretation and conflict will be explicitly included in a theory of legitimacy that will more accurately reflect the ambiguity and indeterminacy of cultural processes. As an ongoing social accomplishment, legitimacy is relative in time and across social groups and is dependent on a complex and often ambiguous communication process. It is also a site of significant conflict and a point where power is exercised to manage meanings in preferred ways. In this paper, I will present a theoretical approach to understanding legitimacy that highlights the conflictual and processual nature of corporate legitimacy and then discuss the ramifications of this view for its management.

The Contribution of Social Semiotics

Understanding the theoretical position that I develop in this paper begins with an understanding of human beings as inextricably embedded in a web of meaningful signs through which they act, interact, and otherwise experience the world: "Indeed, at the heart of semiotics is the realization that the whole of human experience, without exception, is an interpretive structure mediated and sustained by signs" (Deely, 1990: 5). Semioticians, in studying signs, are concerned with things that stand for or substitute for other things. In other words, they are concerned with the phenomenon of representation. The potential phenomena of interest for semiotics is therefore quite extensive, including spoken and written language, gestures, signs, pictures, traffic lights, clothing, consumer goods, architecture, and food.

Put more precisely, semiotics is the study of everything that can be *taken* as significantly substituting for something else. The "something else" does not necessarily have to exist or be present at the moment the sign stands for it; the act of representation is enough. It is for this reason that semiotics has been described as "the discipline studying everything which can be used in order to lie" (Eco, 1976: 7). If something cannot be used to lie, then it cannot be used to tell the truth. In fact, if it cannot be used to lie, it cannot be used to "tell" at all. Semiotics is interested in everything that can be used to "tell" in this sense.

Social semiotics, as I use the term, encompasses a wide range of perspectives and has a strong affinity with other linguistically-oriented work such as Wittgenstein's philosophy of language and the hermeneutics of Ricoeur and Gadamer. The strength of social semiotics lies in its focus on the social and political environment of the sign, and in the wide range of symbolic phenomena to which it can be applied. Semiotics, at its most general, is the study of systems of signs and how they function to produce meaning. The sociological ramifications of this sort of study are tremendous: to the degree that the "social" depends on language or other forms of communication for its production, it depends on an analyzable semiotic system. One approach to studying social phenomena is therefore to approach them as semiotic (or more appropriately, social semiotic) phenomena. In other words, to adopt a social semiotic perspective is to approach social phenomena as symbolic constructions created and sustained through semiotic practices. Any social phenomenon can be studied in a potentially useful fashion in this way (Eco, 1976: 22).

Semiotic phenomena are always realized in "texts" - complex symbolic structures created using semiotic codes. The Bell Canada commercial described above is an example of a text. But texts are not independent of the semiotic structures that make them meaningful. Rather, they are instantiations of them. Texts function not only socially, as part of the ongoing accomplishment of some social system, but also to maintain or modify the underlying semiotic structures. It is in sequences of texts - or discourse - that the semiotic system and the constructed texts interact in a mutually modifying and mutually supportive way. Texts, then, are the traces of discourse. The terms "semiotics", "texts", and "discourse" form the foundation of the vocabulary used in the theoretical discussions that make up the remainder of this paper.

Perspectives on Social Semiotics

Clearly, social semiotics should have something to say about a highly symbolic activity like the management of legitimacy. Legitimacy is, after all, a social accomplishment created and sustained through sequences of texts. It should, therefore, be approachable from a semiotic perspective. But which semiotic perspective? Semiotics, like most streams of research, is not a cohesive whole. In the remainder of this section, I will touch on three major figures in the historical development of semiotics - Suassure, Peirce, and Barthes - as an introduction to the work of Bakhtin, whose theoretical perspective fits most closely with the problems I am trying to address here.

Saussure. The Swiss linguist Ferdinand de Saussure (1857-1913) is generally regarded as the founder of modern, European semiotics. His book, *Course in General Linguistics*, first published in 1915, provided an almost accidental start to what is now a huge and rapidly growing literature. Assembled from the notes of his students, the *Course* provided the foundation for the growth of a highly structural, linguistically-oriented semiotics (or "semiology" as Saussure called it) by outlining several crucial observations regarding the nature of signs and semiotic systems.

Saussure defined semiotics as the science of signs. This, of course, immediately raises the question, what is a sign? According to Saussure (1974), a sign is the conjunction of a signifier and a signified, where a signifier is some physical manifestation such as a sound or a visible mark and a signified is a concept or an idea. The signifier and signified coexist as a sign; no sign exists without both and neither can exist separately from a sign. It is important to stress that the signified is *not* something in the world, but rather a concept that can then be linked to something in the world - this "something in the world" is called the referent - through the sign. For example, the signified of the sign "ox" is the concept or idea of a bovine draft animal, not any particular animal munching grass in any particular field. In an instance of use, the sign "ox" may refer to a particular animal, the sign's referent, and may therefore attribute certain characteristics to it. But the signifier is always the word "ox", while the signified is always the concept of a bovine draft animal (Hodge & Kress, 1988).

Central to this conception of signs is the idea that signs are arbitrary, historical constructs. It is not the world that gives them meaning but the active participation of individuals who apply shared sets of conventions in their construction and reception.

Signs have meaning only by convention. Taking language as an example, there is no necessary relation between things in the world and the system of language that we use. Rather, the relationship is a practical and historical one. The comparative study of languages has provided significant evidence that this is the case. Different languages obviously associate different sounds with different concepts. But, even more importantly, the net of concepts varies widely; there is no common set of signs nor any common set of rules relating how these signs may be associated. Instead, language is a closed system that allows signs to be placed in particular relations according to shared conventions to produce meaningful texts.

While the idea of a code or convention is central to semiotics, the code only provides the possibility of the production of meaningful texts. Just as the rules of chess do not determine the games that will be played, the underlying linguistic codes do not determine the form that sentences will take. While particular sets of codes provide the building blocks from which texts can be constructed, they allow tremendous latitude in the actual way texts may be constructed. The relatively limited rules of grammar that allow sentences to be interpreted allow a tremendous number of sentences to be constructed. They provide the possibility of communication while allowing sufficient flexibility to provide a practically infinite range of texts to be produced.

Saussure also identified a separation between what he termed *langue* and *parole*. *Langue* is the structured system of codes that underlies the *parole* or actual speech that can be observed in the world. From a Saussurian perspective, only *langue* - the abstract semiotic code - is of interest. *Parole* remains, in principle, unanalyzable and unapproachable. The complex utterances must be left alone while the attention of the analyst is focused on the code that allowed the speech act to be produced. This observation created the possibility of a study of signs that, in an important sense, ignored the meaning of the signs. What became important was the complex inter-relationships between signs. The meaning and the social context were abandoned in favour of an intensive study of the underlying structure of the semiotic system.

In focusing attention on *langue* at the expense of *parole*, Saussure abandoned the social aspect of language and retreated into an abstract world of timeless structures disconnected from actors and the complexity of social life. Saussure, in choosing this focus, is the pre-eminent representative of the structural school of semiotics.

From my perspective, Saussure provides three important observations. First, he argues for the potential of a "science" of signs. His early observations outline what has turned out to be a fruitful avenue of research and provide the possibility for a social semiotic approach to the management of legitimacy. Second, he points to the arbitrary nature of signs and to the fact that signs are meaningful by convention. The fact that signs are meaningful by convention and that the conventions are social accomplishments provides the opening for the "social" semiotics developed by later semioticians. Third, he separates semiotic codes from language in use. This separation provides a useful metaphorical opening for the study of semiotic systems. While there are certain problems with his approach, he does successfully begin the development of a theory of meaning that results in a useful approach to social phenomena.

Peirce. Charles Saunders Peirce (1839-1914) is often considered a co-founder of the field of semiotics. While Saussure was developing "semiology" in Europe, Peirce was busy in America developing a related but more general theory of meaning. Peirce defined "semiotic" as "the doctrine of the essential nature and fundamental varieties of semiosis" (Peirce, 1931: 5.488). For him, semiosis, and therefore meaning, is a process and not a characteristic of a sign or a text: "By semiosis I mean an action, an influence, which is, or involves, a cooperation of three subjects, such as a sign, its object and its interpretant, this tri-relative influence not being in anyway resolvable into actions between pairs" (Peirce, 1965: 5.484). For Peirce, semiosis is an ongoing, almost mystical, activity constrained only by the material limits of signs and the general social constraints that exist (Deely, 1990: 23). Peirce also pointed to the important effects that this process can have (in terms of the natural and social worlds), even when the referents of the semiotic process are non-existent.

Pierce's contribution continues with his definition of a sign as "something which stands to somebody for something in some respect or capacity" (Peirce, 1965: 5.189). This definition has the advantage of avoiding the implicit psychologism in Saussure's connection of the minds of the sender and the receiver (Stam, Burgoyne & Flitterman-Lewis, 1992: 5). In this definition, something is a sign when it is interpreted as such. While in most cases signs are intentional products, this definition opens the possibility of a sign being non-intentional or even natural (Eco, 1976: 15).

Peirce also expanded the range of what could be considered a sign. In addition to Saussure's arbitrary sign (which Peirce called a symbol) whose meaning depended on convention and that could only be deciphered if one knew the code, Peirce posited an icon and an index. An icon is a sign that bears a resemblance to its signifier. For example, the icons for man and woman often used on washroom doors bear some minimal relationship to the (culturally specific) modes of dress in Western societies. Another example is the no smoking sign made up of a picture of a cigarette bisected by a line. The picture of a cigarette is an icon, while the line bisecting the cigarette is a symbol. Understanding the cigarette as a sign requires a recognition of its likeness to a burning cigarette; understanding the line bisecting the cigarette requires a knowledge of the underlying code.

Finally, Peirce defined an additional class of signs called indices. An index is linked to the thing it represents by some causal relationship. Where symbols must be decoded and icons recognized, indices can be interpreted by reasoning them out. Smoke is an index of fire, clouds are an index of rain, and a fever is an index of a cold virus. The important point is that the link between an index and what it represents is causal and not the arbitrary code of the symbol or the likeness of an icon.

The conception of "semiotic" developed by Peirce is therefore a more general and powerful one than the idea of "semiology" developed by Saussure. In fact, Saussure's work is often seen as a subset of the broader project of Peirce (Deely, 1990). Where Saussure focused comparatively narrowly on language, Peirce focuses on a broad idea of meaningfulness:

> The action of a sign generally takes place between two parties, the *utterer* and the *interpreter*. They need not be persons; for a chameleon and many kinds of insects and even plants make their living by uttering

> signs, and lying signs, at that. Who is the utterer of the weather . . . ? However, every sign conveys something of the general nature of thought, if not from a mind, yet from some repository of ideas, or significant forms, and if not to a person, yet to something capable of somehow 'catching on', . . . that is, of receiving not merely a physical, nor even merely a psychical dose of energy, but a significant meaning. In that modified, and as yet very misty, sense, then, we may continue to use the italicized words. (quoted in Deely, 1990: 83-84)

In addition to this broader definition of semiosis, Peirce had a more complex idea of the sign. Instead of a sign made up of a signifier and a signified, he argued for a tripartite conception where the sign is embedded in a process of semiosis that can be broken down into an object, a sign, and an interpretant. Although his idea of an object and a sign are fairly clear from his writing, the idea of an interpretant is less clear (and Peirce's impenetrable prose does not help the matter). As an example, think for a moment of a thermometer (an index) surrounded by an environment at a particular temperature being read by an individual. In this situation, the thermometer is the sign, the temperature of the environment is the object represented by the sign, and the interpretant is the idea of the temperature that occurs to the interpreter. The interpretant is itself composed of other signs that translate and explain it. These secondary signs are, in turn, translated and explained by other signs, and so on, *ad infinitum* (Eco, 1976: 15). As Eco explains:

> [T]he most fruitful hypothesis would seem to be that of conceiving the *interpretant as another representation which is referred to the same 'object'*. In other words, in order to establish what the interpretant of a sign is, it is necessary to name it by means of another sign which in turn has another interpretant to be named by another sign and so on. At this point there begins a process of *unlimited semiosis*, which, paradoxical as it may be, is the only guarantee for the foundation of a semiotic system capable of checking itself entirely by it own means. (Eco, 1976: 68)

In Peirce's view, the interpretant is one strand in the interconnected, self-supporting, and endless fabric of semiosis that makes up reality.

Peirce's contribution to our conversation is fourfold. First, he emphasized the processual nature of semiosis. Meaning is not a characteristic of certain things called signs, but is a relationship growing out of an ongoing process of semiosis. Second, he widened the scope of semiotics to include a broad range of indexical and iconic (i.e., non-linguistic) phenomena. Peirce correctly pointed out that semiotics need not be concerned solely with language but could equally well attend to a range of other meaningful phenomena. Third, he focused attention on the role of semiotic phenomena - or perhaps more accurately, the fabric of semiosis - in making the world meaningful. This aspect of Peirce's work provides the necessary link to a version of semiotics useful to social studies and, conversely, a version of social studies useful to semiotics. Fourth, Peirce focused attention on the effects of semiotic phenomena even when the object or referent does not exist. This last contribution opened the door for a semiotic critique of ideology that has taken up much of the time and effort of semioticians.

Barthes. Barthes' early work was driven by a very different interest than that of either Saussure or Peirce. Where Saussure was a classical philologist driven by a need to systematize, and Peirce was systematic philosopher out to re-create philosophy, Barthes was a French neo-Marxist interested in ideology. He was driven by a need to interpret, not to systematize and, although his more philosophical writings and his later empirical analyses are highly structuralist (1967; 1973: 117-174; 1983), his early analyses are exercises in informed interpretation. In his empirical work on myths

(1973: 1-117, 1988), he represents a different tradition than Saussure or Peirce in seeking to explore the "meanings" of texts through informed interpretation drawing on theories of meaning (in this case, a semiotic theory of ideology).

Barthes began his investigations with the intention of challenging the naturalness of social understandings that were clearly cultural and historical. As he explains:

> The starting point for these reflections was usually an impatience at the sight of the 'naturalness' with which newspapers, art and common sense constantly dress up a reality which, even though it is the one we live in, is undoubtedly determined by history. In short, in the account given of our contemporary circumstances, I resented seeing Nature and History confused at every turn. (1972: 11)

From Barthes' perspective, signs could be joined together to produce meta-signs or myths. These myths are built using existing signs as signifiers in the development of another level of signification (1972: 124). It is not simply as if the signs were placed together like words in a sentence, but rather that they form another whole, another combination of signifier and signified. It is at this level that complex texts produce sets of cultural understandings that underpin our social conventions. Ideas such as patriotism, ethnic identity, and religious belief are often associated with complex signs that come to represent these important cultural myths.

For example, the Marlborough Man is not simply a man on a horse, but rather a single sign infused with a complex set of values - individualism, masculinity, and freedom - by a long and intense advertising campaign (Hodge & Kress, 1988). Each Marlborough ad can be examined as a sign which is made sensible by the myth and which maintains and strengthens the myth. The signifier is a group of already meaningful signs whose individual meanings lose importance in relation to the signs' role in the production of a meta-sign or myth.

Barthes' contribution to the development of semiotics is considerable. His idea of a mythical layer of meaning and his empirical studies of a broad range of cultural forms have inspired many others interested in ideology and culture to attempt to use semiotics as a basis for their critiques. His focus on the role of popular culture texts and his interest in power and social relations are very useful additions to the philosophical discussions of Saussure and Peirce. Even more importantly, Barthes attempted, within his structural framework, to analyze entire texts and their role in the development and maintenance of patterns of social relations. Particularly in *Mythologies*, this interest points to the possibility of a broad and sustained analysis of the role of texts (like the Bell ad described above) in social life. Unfortunately, his structuralist theoretical framework limited the ability of the analyst to actually examine the social context of the text.

Bakhtin. The work of Mikhail Bakhtin and the Bakhtin circle[11] (Bakhtin 1981,

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[11] The authorship of the various works that make up the oeuvre of the Bakhtin circle remains a point of contention among Bakhtin scholars. The writings of Bakhtin and his associates were actively repressed by the government of the Soviet Union over a considerable period of time. As a result, a variety of pseudonyms and alternative avenues of publication were used to protect the authors and to aid in the dissemination of the manuscripts. While the resulting authorship questions are interesting and important, they have little bearing on the current discussion. I will therefore adopt an agnostic position and simply talk about Bakhtin while acknowledging the ambiguity of authorship that exists.

1986; Volosinov, 1988) combines many of the best aspects of Saussure, Pierce, and Barthes while avoiding many of the weaknesses inherent in their work. Like Saussure, Bakhtin recognized the importance of the sign and the metaphorical usefulness of structural approaches to meaning. At the same time, he rejects Saussure's singular focus on *langue* at the expense of *parole* (Gardiner, 1992: 11). Like Peirce, he widens the scope of semiotics to include non-linguistic phenomena; yet he avoids Peirce's hermeneutic mysticism and psychologism (Hodge & Kress, 1988: 20). Like Barthes, he is interested in ideology, but not at the expense of the social context of the text and not by falling into a version of the "dominant ideology thesis" (Abercrombie, Hill, & Turner, 1980; Gardiner, 1992: 148).

Bakhtin's project was to develop a theory of meaning that would apply across a diverse range of substantive areas, yet retain a focus on the centrality of language in human life and on the ethical implication of various forms of speech:

> Indeed, it could be said that his life-long ambition was the development of an inter-disciplinary approach to the study of socio-cultural life as it is constituted in and through forms of symbolic interaction - what has been generally referred to as `metalinguistics' or `translinguistics' (Gardiner, 1992: 2).

From this focus on metalinguistics, Bakhtin could make forays into various substantive areas applying his ideas regarding the nature of dialogical interaction and the relation of this interaction to the structures of everyday life. Beginning with a theory of meaning, Bakhtin was able to produce a theory of ideology and an approach to the political dimension of speech foreshadowing the Habermasian ideal speech act, but firmly grounded in a social theory of speech.

Bakhtin began by observing that, despite a professed belief in the primacy of speech, semiotics was deeply affected by its focus on the written word (Cook, 1992: 181). This focus results in the illusion that the meaning of a text is somehow separate from the producers and receivers of the text (Volosinov, 1988: 73). From Bakhtin's perspective, meaning can never be divorced from people and, therefore, the study of a text must always be a study of both the text *and* the participants in the production and reception of the text.

This insistence on the dialogical nature of meaning led to an important break with much of Western philosophy. Whereas thought and the self are usually considered as separate from language - language being the way thoughts are communicated by a self to another self - Bakhtin's insistence on the inseparability of texts from their receivers and producers led to a view of the self as arising in discourse. For Bakhtin, thought and the self grow out of discourse and are, in fact, discursive products. While we often confuse an individual brain with an individual self, the self is actually dependent on dialogue with others and can only exist in the intersection of texts. It is therefore a dialogic product and "to be" is "to communicate".

Saussure's idea of communication as two talking heads passing thoughts back and forth through the medium of language (Saussure, 1974: 11) is exactly the point of view that Bakhtin rejects. Instead, Bakhtin argues that communication is as much the creation of selves as it is the transfer of meaning. Any study of communication must be a study of the participants in the communicative act: to study a text is to study the participants since, by their very nature, texts and their producers cannot be disentangled (Cook, 1992: 181).

This position has other ramifications. Language can no longer be sensibly considered as a system of codes external to language users. Language as a system, as *langue*, is reduced to a useful abstraction that does not exist except as a metaphor. Instead, language is the continuous flow of utterances in particular social contexts and, contrary to Saussure's position, *parole* becomes the fundamental social reality of the phenomenon of language. For Bakhtin, language is a form of praxis requiring competent language users to adapt speech acts to the fluid social context in which they find themselves: "Language competence is not simply a matter of the production of grammatically-correct sentences, but rather indicates the creative and reflexive adaptation of a given speech-act by particular social agents to a fluid and changing social system" (Gardiner, 1992: 11).

The study of language should therefore reflect this. It should highlight the fact that language occurs in the dialogic space between a concrete producer and a real or presumed receiver (Gardiner, 1992: 12). Both the producer and receiver occupy a precise location within the wider system of social relations. They have access to certain quantities of social and economic capital and they have interests in maintaining or changing the social structures that exist. From this perspective, studies of language must take the social context of the actors into account if they are to be studies of language at all.

Since meaning depends on this dialogic interaction, and since the participants act from different social positions and with different interests, meaning is always provisional and unstable. Interpretation is always contested and as a result meaning is never completely determined by the producer. There is, therefore, a continual struggle over the meaning of texts and an inescapable ambiguity.

From this foundation, Bakhtin went on to attack the dichotomy posed between structuralism and hermeneutics (what he referred to as objective and subjective approaches to the study of language). If we refer back to Bakhtin's view of language, linguistic acts occur in the dialogic space between interacting individuals. Therefore, linguistic acts or utterances can not be separated from interacting individuals nor can it be moved inside their heads. Objectivism (of which Saussure is the archetypal example) errs by focusing upon and reifying the metaphorical "system" of language away from the dialogic system in which it occurs. It separates language from its social context. Subjectivism, on the other hand, errs by focusing on the creative subject at the expense of society and of the dialogic space in which utterances occur and on which they depend. Subjectivism moves language production inside the head of its producer and misses the social basis of language production. In addition, Bakhtin also rejects subjectivism because of the inherent dualism it suggests between the inner world of the individual mind and the outer world of linguistic communication. Instead, he strongly argues that human consciousness and its symbolic manifestations can only be defined in sociological terms.

Bakhtin also spends considerable time discussing ideology, the "process whereby meaning or value is conferred on the natural and social worlds" (Gardiner, 1992: 13). Ideology is not some sort of error or partial truth, but a set of practices and texts which present the world in a particular way. Ideology is the result of a set of social processes and is the site of a continual struggle between different social groups as they work from their interested positions to produce alternative interpretations, practices, and texts that privilege their interests. Ideology is understood as:

> "that aspect of the human condition under which human beings live their life as conscious actors in a world that makes sense to them in various ways. [To] conceive of a text as ideology is to focus on the way it operates in the formation and transformation of human subjectivity" (Therborn, 1980: 2).

Ideology is therefore an inescapable aspect of signs. As soon as a semiotic system appears it will make particular things visible in particular ways and contain within it particular evaluations of the objects and relations it makes visible. How this occurs - what texts and practices make a semiotic system function - becomes the question for semiotic research.

Bakhtin goes on to differentiate the meaning, the theme, and the accent of a text. Meaning is the semantic or formal linguistic meaning of the text. It is the most immediate level of the text that can be decoded without any particular recourse to the social context of text. It is the "naive" meaning of the text. Returning to the Bell ad described in the introduction, the meaning is the interpretation of the text that can be produced by any competent reader of English.

The theme is the contextualized meaning of the text. The deeper meaning which can be drawn out when the interpreter understands the social positions and motivations of the producers and receivers of the text. In the case of the Bell ad, the institutional environment currently confronting Bell provides the needed context to understand the theme of the ad. If it had been shown at a different point in time (say 15 years ago), its theme would have been considerably different even though its meaning would have been identical.

Finally, the accent is the evaluative or ideological aspect of the text. While the themes of texts are polysemic and unstable, they may be, for a time, fixed by social practice and social interests. Bakhtin describes the evaluative or normative aspect of an interpretation of the text as its accent. The particular presentation of Bell found in the ad says much about how the producer evaluates particular aspects of Bell and its relations with Canadian society. The text is structured to lead the interpreter to a positive evaluation of Bell and its activities - Bell creates jobs in Canada, Bell is innovative, and many real Canadians like Karen work for Bell. This evaluation is the accent of the theme of the ad.

Bakhtin's contribution to our discussion of legitimacy management is considerable. First, his approach to language strikes an important balance between structuralist and hermeneutic approaches. The idea that language is a social product occurring in the dialogic space between producer and receiver is important and revealing. Second, his focus on the ambiguity of meaning and the struggle that surrounds the process of interpretation is directly applicable to the case at hand. Third, his discussion of ideology highlights the importance of the struggle surrounding interpretation. If texts act to structure social reality - if signs are necessarily ideological - then the texts that circulate through society and the practices that are used to produce and interpret them become critically important. Finally, his separation of meaning, theme and accent provide a vocabulary for discussing texts and their various layers of meaning reminiscent of Barthes, but without the highly structural underpinning.

A Social Semiotic Framework for Approaching the Management of Legitimacy

The view of semiotics that I find most useful is one that highlights the fundamental importance of semiotic phenomena in the production of social reality. Texts are produced and received in a dialogic interplay and social reality (including the self) is thereby created. This process occurs in the dialogic space between actors, and requires their participation and competence. This process is a contested one and, as a result, meanings are unstable and often ambiguous. People can, and often do, invert and otherwise resist dominant interpretations of texts. They also produce texts and suggest practices which will further their interests in the construction of social reality. Out of this symbolic struggle grows the sets of social relations and practices that we experience as social reality.

The meanings of texts are neither determined by externally existing codes nor are they completely produced by individuals. Meaning is produced in the dialogic space between individuals interacting and requires the creative and reflexive application of general grammatical rules on an ongoing basis depending on the fluid and changing social situation. People negotiate the meaning of texts and utterances in an ongoing process; "meaning" is therefore a social accomplishment.

Texts are ideological to the degree that they confer value on the social or natural world. Ideology is therefore grounded in a range of social practices. Ideology is important to the extent that it has real effects on society. Something is not ideological because it is false; it is ideological because it has effects. The study of ideology becomes the study of the complex of texts and practices which sustain the current social system. The management of legitimacy is one set of practices among many which have real effects in creating or maintaining social reality and social relations. It depends on sets of material practices and on a myriad of texts that continue to echo inter-textually through texts that are currently being produced. The practices and products of legitimacy management are ideological in this sense.

Following Bakhtin, texts can be monologic, dialogic, or heteroglossic depending on the number of voices that appear in the text. The texts of advertising are generally monologic and, from Bakhtin's perspective, this is an attempt at domination. But this is an empirical question regarding both the texts that are produced and the discursive arena in which they are presented. Some degree of intertextuality is unavoidable. The intertextual echoes contain, to some degree, the voices of others and reduce the monoglossia of the texts.

Central to this conception of meaningfulness is the idea of struggle and conflict. The management of meaning is continually undermined by the ambiguity of the text and the room this leaves for resistance. Receivers of texts are not bound by some external code to a particular interpretation but are able to interpret and re-interpret the text. The real social relations that they experience provide a frame for interpreting the text and for subverting dominant meanings. Interpretation requires interpreters and the resulting dialogism produces space for resistance. Social contradiction goes hand in hand with ambiguity and the very nature of interpretation makes resistance possible.

Texts themselves always draw on other texts for meaning. This idea of intertextuality is a very important one. As Peirce observed, semiotic systems are self-supporting. Texts look to each other for meaning and any explanation of the meaning of a text is always only another text. By skilfully assembling bits and pieces of other texts, producers can say what they wish within the broad guidelines of what can be interpreted. In approaching the management of legitimacy, intertextuality is an important idea in understanding how texts are assembled and how they draw on the cultural capital of other powerful texts. In fact, it is possible to say that the management of legitimacy is primarily an exercise in the management of intertextuality.

Understanding Corporate Legitimacy

Beginning with this perspective on semiotics, we can now return to legitimacy as a social accomplishment created and sustained through the production and distribution of texts. From this perspective, legitimacy is a description of the state of a social process negotiated by stakeholders in an ongoing interplay of texts. The process of legitimation is therefore dialogic and symbolic, taking place in the dialogic space between stakeholders and depending on sets of semiotic practices and codes.

The importance of this interplay to ongoing organizational functioning depends on the level of uncertainty in the institutional environment. By environmental uncertainty I am referring to institutional uncertainty like that experienced by Bell Canada as they faced deregulation in the telecommunications industry. While very high degrees of legitimacy may act as a competitive advantage under normal circumstances, it is primarily when the institutional rules that underlie the industry are uncertain that legitimacy becomes a critical issue for corporations.

To maintain the status quo in relatively stable environments, it is generally only important for stakeholders to ensure that the current social arrangements do not become highly illegitimate. When high degrees of environmental uncertainty are encountered, however, high levels of legitimacy may provide a measure of protection for existing social arrangements. On the other hand, if a stakeholder wishes to produce institutional change, then the reverse is true; in times of environmental instability, upsetting the process of legitimation even slightly can produce large amounts of institutional change. In times of environmental stability, however, large amounts of illegitimacy may be tolerated before change in the institutional status quo is initiated.

Legitimation as a Sociological Concept

Beginning with this understanding of the process of legitimation, I would like to clarify several aspects of legitimacy that are often unclear in the existing literature. First, legitimacy is **empirical**. It differs from legality or morality in that it is not an abstract determination but refers to a real state of affairs that exists in the world. It is a description of the state of a relationship between the stakeholders of some social arrangement (i.e., a family, a government, a school, or a corporation). It is, therefore, an empirical fact and can be measured with varying degrees of difficulty depending on the situation (Berger, 1981; Stillman, 1974).

Second, legitimacy is **normative.** To the degree that legitimacy is a measure of the "rightness" of a social arrangement, it is also a normative statement about how social interactions should be organized. If a particular social arrangement is viewed as illegitimate by some stakeholder, it is because that stakeholder believes the social arrangement should be organized otherwise (Meyer & Rowan, 1977). It is bound up with ideas of "rightness" and "fairness" and actions aimed at (de-)legitimating organizations often deal with this normative aspect.

Third, legitimacy is **contextual.** Legitimate social arrangements depend on a particular social context for their plausibility (Berger, 1981). It is only within a particular cultural system that something can be said to be "fair" or "appropriate" and any discussion of the legitimacy of an organization must assume some "map" of social reality. To say it another way, legitimate social arrangements are limited by cultural understanding. For example, discussing the fairness of the profits of oil companies requires a general agreement on what an oil company is, what profits are, and how one might determine fair profits.

Fourth, legitimacy is **constructed.** Legitimacy is not a part of the natural world but a social accomplishment created and sustained through social interaction. Legitimate social arrangements depend on individuals acting to produce and to maintain networks of texts that account for patterns of activity and organizational outcomes. Legitimacy is, therefore, an aspect of the ongoing interaction of a set of stakeholders and it requires their ongoing participation to be maintained (Berger & Luckmann, 1967). As such, legitimacy is relative, ambiguous, and unstable, and the focus of a continuous process of conflict and negotiation.

Fifth, legitimacy is **interested.** The texts that are produced and maintained in an effort to manage legitimacy reflect the interests of groups within society. Different groups will find it in their interests to promote particular social arrangements and to undermine others. Depending on their access to resources (both social and economic), they will have more or less success in affecting what is a legitimate social arrangement. For example, in the 1970's American oil companies produced extensive advocacy advertising campaigns (they had access to tremendous economic resources) that argued that very high levels of profits were good for everyone. The interests of the producers of these texts was clear, so clear that the potential effect of the ads was probably undermined (the producers had little access to social resources like credibility). But the important point is not that attempts at producing legitimations often fail, but that legitimations are seldom produced accidentally or without a purpose although legitimations may be taken over and used for purposes never imagined by the original producer.

Finally, legitimacy is **a matter of degree.** Contrary to much of the discussion in the literature, and to the common practice in empirical work of coding legitimacy either one or zero, legitimacy is not simply either present or absent. Rather, it is a matter of degree and with respect to one stakeholder group. *Legitimacy is not an organizational characteristic, it is a characteristic of a relationship between stakeholders.* It is also tremendously ambiguous and only remarkable when an organization is ether highly legitimate or highly illegitimate. To recap, legitimacy is a measure of a stakeholder's perception of the nature of a particular social arrangement. Therefore, legitimacy can vary between highly legitimate and highly illegitimate, and from stakeholder to stakeholder.

Combining these points, we come up with the following view of corporate legitimacy: a corporation, as one kind of social arrangement, is legitimate when it is perceived by stakeholders as following their institutionalized understandings of appropriate corporate behaviour. By extension, corporate legitimation is the process by which this perception is established or defended; it is the act of managing a corporation's legitimacy. Since legitimation is a public activity, management (as the representatives of "the corporation") can participate in this process and, since managers have certain interests, can do so in a way that is favourable to them. By the same argument, however, *any other stakeholder may also participate in the management of legitimacy*, managing legitimacy in ways that reflect their diverse interests. Since what is legitimate changes over time, managers who choose not to participate risk losing legitimacy. In addition, since legitimacy is contextual and many corporations operate in many social contexts, management may face conflicting, or even contradictory, requirements for legitimate behaviour.

Legitimations and Legitimacy

Stakeholders determine the legitimacy of social arrangements by comparing their perception of them to institutionalized understandings - legitimations - which describe proper social arrangements in a particular social system (Berger & Luckmann, 1967; Stillman, 1974). These legitimations are a negotiated part of the broader cultural system and are used by stakeholders in the production and interpretation of social reality: social relationships are generally structured on the basis of these institutionalized understandings and are, similarly, judged as legitimate in comparison to them (Meyer & Rowan, 1977). What is understood as constituting a legitimate set of social relations changes over time and from cultural group to cultural group and is, like legitimate social arrangements, a product of an ongoing social process. Legitimations are available to stakeholders working to manage the legitimacy of an organization either to construct particular accounts of organizational activities or as a direct focus of legitimacy management: changing stakeholder beliefs about what constitutes a legitimate social relationship is one approach to the management of legitimacy.

It is important to emphasize that the production of legitimations and their application to organizations occurs in the dialogic space between stakeholders. While individuals hold opinions, the process of legitimation and the production of legitimations occur in the social space surrounding the individuals that make up the stakeholder groups. The legitimacy literature often makes the mistake of either talking about society as a unified whole or about individuals as atomized actors. The actual dialogical space that exists between stakeholders, and the ambiguous social processes occurring there, are not discussed.

Legitimations exist as networks of meaningful texts - traditionally stories, songs, and lived relationships, but more recently as movies, television shows, books, newspaper articles, and the like. They are negotiated over time and are often sites of significant conflict as stakeholder groups attempt to produce legitimations that support their preferred social arrangements (Berger & Luckmann, 1967). The addition of a dialogic perspective on legitimacy highlights some of the limitations of previous conceptualizations of legitimations: they are not unambiguous social beliefs held by members of particular social groups; they are not simply the concern of managers; they are not somehow simply put in people's heads; and they are not simply generally agreed to by group members. Instead, they are the product of a conflictual social process that results in an ambiguous construct held in place by power and access to resources against which other less powerful stakeholders struggle. The process is always one of ambiguity and political struggle.

Legitimacy Management

While the management of legitimacy is always fundamentally a process of communication, its goal and nature depend on the position of the stakeholder. From a management perspective, it is a process that, if successful, results in the development of a more favourable understanding of the corporation and its activities. It is not so much an attempt to transmit particular information, although that is often an important aspect of legitimation management, but rather an attempt to create a framework of accounts (an "accent") within which the organization's activities appear legitimate and rational. The management of legitimacy is therefore an act of cultural production - the product being a corporate image - growing out of management efforts to communicate with stakeholders. It includes all of the ways corporations communicate including advertisements, news releases, speeches, corporate sponsorship activities and, perhaps less obviously, the design of retail outlets, product design and packaging, office architecture, and interior design. Which communication channels are more important in a particular case is, of course, an empirical question. What is important is that the communication invokes legitimations - "socially objectivated knowledge that serves to explain and justify the social order" - in support of the corporation and its activities (Berger, 1966: 29).

From the perspective of non-management stakeholders, managing legitimacy is equally a process of communication. It is, however, often a process of de-legitimation[12] instead of legitimation (although not necessarily as stock promoters and employee groups may be equally likely to legitimate as de-legitimate). Take, for example, an environmental group who wishes to put pressure on an organization to stop some activity that they perceive as damaging to the environment. From this group's point of view, the strategy is one of de-legitimating the company to create pressure for change (what Oliver, 1992 might call "political pressure"). The group will attempt to communicate with other groups that have resource dependency relationships with the corporation and that can therefore be used to put pressure on management for change. They may also feel that management may not be aware of the true nature of the activities of their firm and that alerting them to the problem may also help mobilize change. In any case, they will begin to perform activities that give them access to arenas where legitimacy is constructed (Elsbach & Sutton, 1992). They may advertise on television, send out mailers, or become involved in acts of civil disobedience. In all cases, they will endeavour to communicate with other stakeholders to produce a reduction in legitimacy and therefore some form of change in organizational practice.

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[12] The concept of de-legitimation is closely related to Oliver's (1992) concept of deinstitutionalization. The strategies that I develop here are the source of the political and social pressures that lead to deinstitutionalization. If groups are successful in de-legitimizing an institutionalized structure or practice, then it will end up deinstitutionalized.

In both cases, the management of legitimacy is a symbolic process and to understand it is to understand this process of cultural production and the practices which underlie it. The emphasis on the symbolic aspect of the process leads back to our earlier concern with meaning and to a heightened recognition of the importance of representation in the study of legitimacy: managing legitimacy is not simply a matter of deciding on a course of action but one of producing texts which succeed in constructing a particular kind of cultural artifact - a legitimate or illegitimate corporate form. Studying texts - symbolic forms such as speeches, corporate news releases, office architecture, product design, and television, radio, and newspaper advertisements - in this way is necessarily interpretive and a semiotic perspective on culture and communication is both useful and appropriate.

The Concept of A Corporate Image

I have stated several times that the legitimacy of a corporation is not based directly on its behaviour. In fact, it is not even clear what it would mean for legitimacy to be based on corporate behaviour given the tremendous complexity of the activities of even a moderately large corporation. Instead, I have suggested that legitimacy is based on stakeholder *perceptions* of a corporation's behaviour: in other words, on the image of the corporation held by that stakeholder or stakeholder group (Alvesson, 1990; Bernstein, 1984; Olins, 1989; Selame & Selame, 1988). It is this idea of a corporate image that I would like to discuss in this section.

A corporate image is the impression of a corporation held by a particular individual or group (Alvesson, 1990: 376). The corporation's image is an amalgam of the stakeholder's experience with the corporation including corporate communications, corporate buildings and facilities, experiences with products and employees, and information from third parties such as newspapers, television, and other stakeholders. In other words, the corporate image is the stakeholder's interpretation of the texts they have encountered out of the totality of meaningful texts produced by or about the corporation, either purposely or simply as a byproduct of corporate activities.

Identity

It is useful to have a term for the pool of texts stakeholders draw from in developing a corporate image. I will refer to the totality of texts produced by or about the corporation as the corporation's identity. Some of the elements of the corporation's identity are purposeful and planned attempts by management to communicate with stakeholders (i.e., advertising and product design), while others may be unplanned corporate communication such as employee behaviour or the appearance of a plant site.

Still others are completely out of the control of management such as the texts produced by other stakeholders and by the media. All of these elements taken together form the corporation's identity. The identity can be broken down into four categories (Olins, 1989):

(1) **Products/Services** - What a company makes or what service it provides. More specifically, how the product/service is designed, packaged, and delivered.

(2) **Environments** - The nature of the location in which the product is made or sold or the service delivered.

(3) **Information** - All of the kinds of public communication carried out with respect to a corporation including advertising, sponsorship, and news releases.

(4) **Behaviour** - How organizational members behave towards each other and towards external stakeholders.

But the corporate identity is usually not simply a collection of information about the company, but also includes one or more frameworks within which the company and/or its detractors wish the information to be evaluated and understood (Barthes, 1972; Taylor & Bogdan, 1980; Goldman, 1992). By structuring corporate behaviour and communication in certain ways, management attempts to invoke particular legitimations and tries, more-or-less consciously, to construct accounts to frame their activities. Using Bakhtin's term, the texts produced by management and other stakeholders have an accent.

But, as I discussed above, interpretations are never completely determined by the producer of a text. Instead, the interpretation must be negotiated and it is often contested by the receiver and by other interested parties (Kilduff, 1993). The framework with which a stakeholder interprets organizational activity is therefore often the product of a number of texts, some produced by the corporation, some by its detractors, all contributing to the corporation's image. The identity of a large corporation is therefore made up of a large number of texts, some reporting on corporate behaviour, some part of an ongoing negotiation regarding how the others should be interpreted, and many exhibiting both aspects.

Obviously, then, whether it is managed or not, all businesses present some sort of identity to their stakeholders. Even if no direct attempt is made to communicate, the everyday activities of the corporation will produce some sort of identity. The development of an identity which is cohesive and favourable to management objectives is unlikely, however, unless the identity is carefully managed by corporate executives. Corporate executives have a tremendous advantage over other stakeholders in managing their organization's legitimacy due to their access to a unique range of texts and other resources. Executives can manage facilities, employee behaviour, and product design and packaging in an effort to develop the kind of image they want. Other stakeholders are much more limited.

Image

This brings us finally to the corporate image. The corporate image is a stakeholder's *interpretation* of the collection of corporate texts encountered including texts that attempt to frame the corporation and its activities in particular ways; it is the understanding of the corporation and its activities that a stakeholder develops. Managing the legitimacy of an organization therefore requires the management of information *and* of the accent with which the information is interpreted. If the account is very successful, it will function to ensure the favoured interpretation of information encountered by the individual or group. The account will also act as a background for the interpretation of any additional information encountered. It is at this level that the underlying symbolic nature of legitimation becomes most critical.

It is also important to point out that the ability and the necessity of framing corporate activity in this way varies across corporations. Corporations that are very large and technically complex must work harder to develop an image which is both sensible and favourable given the practical limits on the amount of information which can be communicated to stakeholders (Alvesson, 1990). For these firms the symbolic aspect of legitimacy becomes critically important. This tendency is further magnified by the fact that it is generally only in the very largest firms that the general public, whose members may have no direct contact with the organization, becomes an important stakeholder. The corporate identity in these cases is reduced to stakeholder attempts at direct communication. Furthermore, even among very large corporations, certain other characteristics make the management of legitimacy both more imperative and more symbolic. Corporations that are highly visible and that depend heavily on political and social support are more affected by legitimacy considerations (Dowling & Pfeffer, 1975).

Strategies for Managing Legitimacy

We are now in a position to consider the management of legitimacy from a more strategic perspective. In this section, I will explore the concept of a legitimacy gap and the general strategies of legitimacy management presented in the literature. Then, working from the semiotic theory of legitimacy developed above, I will critique and expand these concepts.

Breaches not Gaps

In the literature, legitimacy problems are said to occur when societal expectations for corporate behaviour differ from societal perceptions of a corporation's behaviour. Sethi suggests that we can usefully understand this difference as a "legitimacy gap" (1977). Understanding this difference as a "gap" highlights the fact that it can be wide or narrow and that it is a continuous rather than a dichotomous variable. According to Sethi, it is the existence of a legitimacy gap that drives corporate efforts to manage legitimacy:

> At any given time, there is likely to be a gap between performance and societal expectations caused by business actions or changing expectations. A continuously widening gap would cause business to lose its legitimacy and threaten its survival. Business must therefore strive to narrow this "legitimacy gap" in order to maintain maximum discretionary control over its internal decision making and external dealings (1977: 58).

But how does a legitimacy gap arise? Sethi suggests that there are two important sources of a legitimacy gap. First, societal expectations can change, resulting in a widening gap between the corporation's image and societal expectations. For American tobacco companies in the 1970s, for example, the increasing awareness of the health consequences of smoking resulted in a significant and widening legitimacy gap (Miles & Cameron, 1982). The tobacco companies had not changed their activities and their image was much the same as it had been, yet they suddenly faced a significantly different evaluation of their role in society; they faced a significant and widening legitimacy gap.

Second, a legitimacy gap can arise if new information about the activities of the corporation suddenly becomes known that varies dramatically from the corporation's image. The potential body of information about the corporation which is unavailable to the public - the organizational shadow (Bowles, 1991) - stands as a constant potential threat to a corporation's legitimacy. When part of the organizational shadow is revealed, either accidentally or through the activities of an activist group or a journalist, a legitimacy gap may be created.

However, from a social semiotic perspective, the concept of a legitimacy gap is somewhat unsatisfactory. The image is of a division or split between two physical bodies. The metaphor is too material and fails to represent the processual nature of legitimacy; it fails to represent legitimacy as an ongoing social accomplishment. Instead, legitimacy should be thought of as a breach in the ethnomethodological sense, as an interruption in an ongoing process. The process depends on two inter-related sets of practices: the production of texts by various actors on the one hand, and the reception and interpretation of texts by stakeholders on the other. *Legitimacy is sustained as long as stakeholders can assimilate new texts into their current framework.* However, if the indeterminacy of the process becomes too large, if the image of the corporation or the expectations of shareholders change in incommensurable ways, then a breach occurs. The breach can be more-or-less severe, producing a greater or lesser degree of illegitimacy.

This reconceptualization is intended to problematize the idea of a gap between performance and societal expectations. What is "corporate performance"? Who decides the dimensions of corporate performance? Who decides what constitutes "societal values"? Instead of the physical metaphor of a gap, we need some more processual metaphor reflecting the ongoing social processes which are hidden under terms like "societal values" and "corporate performance". For this reason, it is helpful to return to the above discussion of social semiotics and to highlight the ambiguous political and social processes that underlie legitimacy. Many different groups produce the texts which form a corporation's identity. Some of these texts are encountered by particular individuals who interpret them using particular codes and practices based on their cultural location and interests. In other words, stakeholders actively participate in the process through their interpretive activities.

Social Semiotic Strategies of (De-)Legitimation

But Sethi did not stop at simply defining a "legitimacy gap". He went on to ask a very important question: "what can corporations do in the face of a widening legitimacy gap"? In other words, what are the possible strategies for managing this process? Sethi (1978: 58) suggests that there are four possible strategies:

(1) Do not change performance, but change public perceptions of performance through education and information.

(2) If changes in public perception are not possible, change the symbols used to describe business performance thereby making it congruent with public perceptions.

(3) Attempt to change societal expectations of business performance through education and information.

(4) When strategies 1 through 3 are unsuccessful in completely bridging the legitimacy gap, bring about changes in business performance, thereby closely matching it with society's expectations.

Sethi's strategies provide a useful starting point for reconsidering the strategies available for managing legitimacy. But they have several weaknesses. First and foremost, why only talk about managing legitimacy from the perspective of upper management? Sethi continually conflates "the corporation" and "top management". But aren't strategies of legitimacy management available to all stakeholders? Certainly other stakeholders have the ability (and arguably the right) to participate in the ongoing conversation surrounding corporate activity. While top management has a clear advantage in that it is the only stakeholder that can marshall corporate resources behind a legitimacy management program, other stakeholder groups have access to other resources and other communication channels.

It is possible, however, to restructure Sethi's categories to reflect the ability of other stakeholders to participate in the management of legitimacy; to restructure the categories in a way which moves away from the managerial bias in Sethi's work. A good beginning is to observe that stakeholders often participate in legitimacy management activities and to observe that stakeholders often wish to de-legitimize the corporation in order to create pressure for change. In fact, most non-managerial activity in this area is focused on de-legitimation of one kind or another. Even from a management perspective, there may be occasions when an important strategic move may be to attempt to de-legitimize a competitor, a government program, an organizational foe, or their own company (i.e., during management buy-outs, managers often argue for the illegitimacy of their current form of organization). The strategies of (de-)legitimation that I will develop here will therefore move away from the managerial bias and the unbalanced focus on strategies of legitimation in Sethi's work.

Combining Sethi's four strategies with the above discussion produces the four possible strategies of (de-)legitimation as outlined in Table III-1. In addition, Sethi's first strategy becomes the outcome of the legitimacy management process. *Behaviour adaptation* occurs when stakeholders trying to create a legitimacy breach succeed. It is not a semiotic strategy as it is not an attempt to manage the texts that exist in the dialogic space between stakeholders. Instead, it is an agreement among powerful stakeholders that change is required. From top management's perspective, it is a matter of changing behaviour and then informing the stakeholders of the change, thereby improving the corporate image. The approach contains no attempt to associate the corporation with highly legitimate symbols, but rather to simply show that the corporation's activities now fit with its understanding of stakeholder norms. For example, a plant which has been recently fitted with new pollution control equipment becomes a central part of a corporation's image advertising activities. The corporation has changed its behaviour and it must communicate that change to have an effect on its legitimacy.

Insert Table III-1 about here

The first semiotic strategy, the strategy of *perception correction*, is appropriate when a stakeholder feels that other stakeholders believe something that is untrue about the corporation and its activities. If the legitimacy of a corporation is being affected by inaccurate stakeholder perceptions, then a stakeholder may decide to try to change perceptions through a program of education. Again, from a communication perspective, the strategy is a simple one of informing stakeholders. For example, in 1982 a leaflet campaign began in the U.S. linking Procter & Gamble to Satanism (Olins, 1989). The primary proof of the instigators of the campaign was the Procter & Gamble logo, a circular design featuring the man-in-the-moon looking out over a group of thirteen stars, which the leaflets said were a recent addition to the company's products. The logo was, however, first registered by the company in 1882. The company's response was a program of public education. For example, one company press release replied that the leaflets "falsely claim that the President of Procter & Gamble recently appeared on a U.S. chat show saying he was a Satanist, that the company gives financial support to Satanism, and that following this appearance the company was required to print a Satanic symbol on all its products. *None of this is* *true.*" (Olins, 1989: 73).

Second, a legitimacy breach may be created or averted by arguing that a particular issue is being misunderstood - the strategy of *issue reframing*. While the underlying facts are not in dispute, the way that they are interpreted, and hence the importance assigned to them, is. When faced with some potentially problematic issue, stakeholders may choose to argue that the breach is unimportant and requires no action or is less important than the consequences of changing corporate behaviour. If the particular issue can be successfully reframed in this way the legitimacy breach can be minimized. For stakeholders wishing to de-legitimize the corporation, the argument is that some issue is of such importance that it should make the legitimacy of the corporation suspect. Some issue that is currently not considered important is reframed as critical and as an issue that demands action. From a communication point of view this strategy becomes one of persuading stakeholders to accept a different frame for interpreting the distance between expectations and perceptions; it becomes an exercise in managing the corporate image. For example, natural gas producers in Canada have been under pressure to stop sulphur dioxide emissions (a cause of acid rain). Following this strategy, the managers of these companies could argue that yes, it would be much better if they reduced their emissions to zero, but they can't. And, in any case, it is not really that important as they don't emit very much sulphur dioxide and there is no acid rain problem in Western Canada anyway. The natural gas producers can admit the problem exists but reframe it as an unimportant issue. Alternatively, the industry could argue that reducing emissions to zero is technically infeasible and that any attempt to lower emissions would be economically disastrous for Canadian natural gas producers who must compete with producers from countries who face less strict regulations. They can admit the problem exists but reframe the issue in a way which highlights the costs to society of changing behaviour.

Third, a stakeholder may choose to attempt to frame a corporation's image in a way that affects the corporation's legitimacy - the strategy of *image reframing*. Managers may try to link the corporation symbolically to activities and institutions which are highly legitimate, but which often have little or nothing to do with the business activities of the company. Less positively disposed stakeholders may work to link the organization to illegitimate institutions or to sever the links to highly legitimate institutions. Clearly, the way the stakeholder communicates this information is as important as the information itself. The stakeholder is attempting to manage the accent with which the organization's actions are interpreted. For example, oil companies under considerable pressure to improve their environmental record may become involved in environmental projects which are unrelated to their own activities, but which link them to powerful environmental images. They may communicate their involvement through ads which show pictures of ducks, frogs, and forests or of children on company sponsored environmental courses. The overall impression of the company becomes more complex and begins to include an aspect of environmental awareness which, if successful, dilutes the previous concern over environmental damage.

The fourth strategy, the strategy of *expectation modification*, occurs when a stakeholder believes that societal expectations are not well founded. In this situation, the stakeholder can argue for a change in stakeholder expectations regarding corporate activity either through the application of other criteria or through the creation of new criteria.

For example, American oil companies came under significant criticism in the late 1970s for their "windfall" profits. In response, some oil company executives began advertising campaigns arguing that the high profits should be seen as contributing to American energy sufficiency. They argued that their high profits should be understood as a very legitimate outcome of good business practice, not evidence of oil company collusion and price gouging. They argued that the standards used to evaluate the appropriateness of corporate profits were inappropriate and were a symptom of a widespread loss of faith in the capitalist system. They argued for a return to a more traditional faith in the American economic system; in other words, a return to a more traditional American ideology.

But this same strategy is available to non-managerial stakeholders. For example, anti-sealing groups argued vociferously and successfully for a change in broad social values regarding the harvesting/slaughter of seal pups. They argued that the activity was not a legitimate harvest of a viable natural resource but an unnecessary slaughter of helpless animals to pander to the vanity of the upper class. What was previously a legitimate business practice became a social pariah. The illegitimacy of the practice with large groups of people resulted in a government ban on sealing that remains in effect. In this case the activity became so illegitimate that it became illegal.

Tactics of Representation

Each of the above strategies requires the construction of some form of text: an advertisement, a press release, a corporate event. Therefore, in addition to these general strategies, there are another set of decisions to be made regarding the actual construction of the text. The stakeholder must decide on the kinds of symbolism to be invoked, the information to be included, and the channels most appropriate to disseminate the texts. Decisions about meaning, theme, accent, and intertextuality become central. These additional strategic considerations can be thought of as the *tactics of representation* through which texts intended to manage legitimacy are produced and disseminated. The choices made at this level will determine the success or failure of the communication process and, therefore, the attempt to manage legitimacy.

First, beginning with the kinds of symbolism to be invoked, I have argued above that the possibility of meaningful communication depends on some relatively shared set of rules: a semiotic code. Therefore, the choice of images and their arrangement will depend both on what the stakeholder is attempting to communicate and on the codes currently in use among important stakeholders. For example, the codes underlying product advertising have changed tremendously over the last 50 years as advertisers, and the media generally, have "taught" viewers more complex interpretive skills (Goldman, 1992; Leiss, Kline & Jhally, 1986). Viewers are now able to make interpretive leaps in making sense of texts that would have seemed so fragmented as to be meaningless fifty years ago. Images and their arrangement in space and over time have no absolute meaning, but are rather interpreted using culturally specific codes which allow competent recipients to produce an interpretation. Legitimacy management is therefore a highly indeterminate and culturally complex communication task that requires an indepth knowledge of these codes and their implementation. Even a small miscalculation can result in ads that are uninterpretable rather an inspiring, or, as is more often the case, are simply boring.

The information included in the text is a second important aspect of legitimacy management activities. The decision to provide particular information should reflect an understanding of the corporation's existing image and the interests of the stakeholders. The choice of which information to provide is critical given the very limited amount of communication time available and the complex interaction of this information with the accounts surrounding the company. Providing the wrong information to the wrong stakeholder could be simply repetitive or, with worse luck, disastrous. Understanding the image held by different stakeholder groups is therefore crucial in this decision. What parts of the corporate identity stakeholders have been exposed to becomes a critical question.

Third, for more complex texts like image advertisements and corporate reports, intertextuality becomes an important issue. The arrangement and choice of information and images drawn from other texts is centrally important to the production of an account to frame whatever other information is available. The information included and the images used must be chosen with considerable sensitivity to the existing corporate identity and to the stakeholder group to which the text is meant to appeal.

Successful stakeholders construct a careful interplay of texts that interact with other parts of the corporate identity and with other highly symbolic texts available in the environment.

Finally, to use Marshall McLuhan's famous phrase, "the medium is the message". The complex code underlying corporate communication includes the communication channel through which the text is transmitted. Television, letters to shareholders, and architecture are all very different media which can play different but supporting roles in the production of a legitimate corporate form. The different media clearly have different strengths, but the underlying mechanism is the same.

As an example, consider the launch of a new car by a large automotive manufacturer. A product launch of this scale is a carefully orchestrated event with important undercurrents of corporate image management. It includes important symbols such as the corporate logo, references to great cars of the past, and references to culturally current symbols such as wind tunnels and robots. Through a careful play of intertextual references, the automobile manufacturer is represented as a leader in the field, as innovative and quality minded. The new car is a technological marvel - as it must be, since it was manufactured by company x - and in turn, company x is a great company - it must be, since it was able to produce such a car. The television advertising will draw on images of winding roads interspersed with brief glimpses of an as yet unknown car. Depending on the niche, the advertisements will focus on performance, safety, or value. On the day of the launch, the media (and therefore, vicariously, the public) are invited to a celebration thick with corporate pageantry. The new automobile, mounted on a slowly turning pedestal, is surrounded by colours and images meant to strengthen and customize the powerful myths surrounding cars in our society. Meanwhile, the CEO will give a short speech, explaining the importance of this car to the company, to consumers, and to society as a whole. Brochures and performance information will be on hand, along with the drinks and hors d'oeuvres which signal a truly important event.

The tactics of representation are ways of constructing texts that re-occur across campaigns. Their use is based on the codes current in society and they act to both modify and reinforce those codes. The automobile launch discussed briefly above is an example of one text which draws heavily on the codes and symbols current in our society to frame a product and to reinforce the corporate image.

Conclusions and Implications

The phenomenon of legitimacy lies at the point where business and society interact; at the point where corporations, as a certain kind of social arrangement, are evaluated on the basis of their fit with stakeholder expectations. This evaluation is not carried out along economic lines - it is not a question of efficiency or productivity - but is rather an evaluation of the "rightness" of the form and actions of the corporation. A legitimate organizational form therefore depends as much on stakeholder norms and values as it does on the corporation and its actions. Legitimacy highlights the fact that corporations are embedded in society, that they are themselves cultural constructs, and that their maintenance depends on cultural processes. We cannot, therefore, only approach legitimation at the organizational or inter-organizational level, but must instead expand our research horizons to include society more generally. We must strive to de-naturalize our understanding of the corporate form and return to a more culturally and historically sensitive position (Friedland & Alford, 1990).

This paper has been an argument for the adoption of a semiotic perspective in the study of corporate legitimacy: a perspective which highlights the symbolic and cultural aspects of the process of legitimation. Legitimacy is an important issue for the management of many large corporations: their ability to raise funds, to avoid legislation, and to retain consumer support is dependent on their constructing and maintaining a legitimate corporate image. One approach to the management of legitimacy is to adopt practices and forms which are understood to be legitimate (Meyer & Rowan, 1977; Powell & DiMaggio, 1991). This remains a central aspect of managing legitimacy. But there is a second aspect to the management of legitimacy: stakeholders can work to construct a myth which will frame and colour their activity, resulting in an interpretation of corporate behaviour as highly (il-)legitimate. The discussion of strategies of legitimation developed in this paper reflect both aspects of the management of legitimacy.

Implications for Research

In highlighting the link between corporations and society, the semiotic concept of legitimacy developed above points to three primary areas of investigation: (1) the cultural production of legitimations, (2) the process of legitimation, and (3) the production of symbolic texts by corporations and other actors. First, how legitimations are produced and sustained is an important question for management research. Clearly, the mass media play a central role in this process (Carey, 1989), but what other forums are important? Where and how are these myths actually developed? What practices underlie the production of legitimations? Do corporations participate in the process of production? Are there times when it is inappropriate for corporations to participate in this process? These questions are important issues not only for management research but for society as a whole. As corporations grow in size and power, their role in the non-economic spheres of society becomes a centrally important topic for democratic societies (Deetz, 1992). The semiotic concept of legitimacy developed here provides a stepping off point for a continued consideration of how society affects business, and also how business affects society.

Second, the actual process of legitimation requires further investigation. Given the existence of legitimating practices and constructs, how are they applied to particular organizations and what factors determine what practices and constructs are applied to what organization by what group? The relation between corporations and their stakeholders is a dynamic one. The kind of image projected by the corporation determines, to some degree, which practices and expectations are applied. The application of particular practices to the corporation can then feed back through the understandings of organizational members. If they come to understand their organization in a particular way - if it is understood to be a particular kind of organization - then organizational members will act to make the organization fit their image.

Third, the texts produced by managers, their supporters, and their detractors are an important source of information regarding the dynamic underlying the management of legitimacy. Actors produce texts for a purpose. They have strategies, tactics, and cultural understanding which are combined to produce the many texts which appear in the struggle to negotiate the legitimacy (or illegitimacy) of corporations. These texts can be analyzed as cultural artifacts, as indicators of the underlying symbolic struggle. For example, Fiol (1989) examined letters to shareholders from a semiotic perspective. She found the letters to be saturated with the beliefs and understandings of the CEOs who wrote them. These letters, as a part of the macro-cultural management activities of the corporations in question, provide insight into the corporations that produced them and into their understanding of their relation with their environment. These texts, then, stand as markers for the underlying beliefs and processes supporting the management of legitimacy.

Implications for Management

From a management perspective, the semiotic conception of legitimacy adopted in this paper also points to three conclusions: (1) the importance of a coherent and considered image management program; (2) the relativity of legitimacy; and (3) the importance of cultural literacy. First, how an organization is perceived is critically dependent on the whole range of interpretable phenomena produced by the organization, and the resulting corporate image can only be managed through corporate image advertising in a limited way. Image advertising which is not part of a larger program of image management is very much a case of closing the barn door after the horse is out. Managing legitimacy must begin at the beginning. It involves all aspects of the corporation and image advertising should be the final stage in the process, not the first.

Second, societal values are relative. They change over time and across cultures. Legitimations and legitimating practices that worked in the past may not work in the future. Understanding and monitoring the currents of change which characterize (post)modern society is a central part of legitimacy management. Furthermore, the increasing internationalization of the corporate world leaves little room for cross-cultural naivete. Legitimations which work in one cultural milieu may have little or no currency in another culture. What appeals to management may have little to do with what will appeal to particular groups of stakeholders.

Third, legitimacy management therefore depends on a high degree of cultural literacy. No manager should assume that they understand how they are evaluated by their stakeholders but should instead take steps to find out. The study of popular culture (cross-culturally) therefore becomes an important management skill. Understanding the trends and issues which are current and fashionable is a requisite foundation of successful image management. Efforts at legitimacy management based on values which are not shared with a particular group of stakeholders are, of course, bound to fail.

Concluding Remarks

In this paper I have argued for a more symbolic conception of legitimation reflecting the complexity and indeterminacy of meaning in our society. Legitimacy is a negotiated cultural phenomenon: it is dependent on a set of cultural processes; it is shaped by the activities of interested actors; and it is mediated by the media and by other forms of communication available to the actors. The study of legitimacy is therefore an exercise in interpretive social science, and the semiotic perspective discussed above provides an initial framework for this discussion. This is not, of course, the only useful interpretive approach, and the investigation of other aspects of legitimacy requires other sets of tools (e.g. Elsbach & Sutton, 1992). The important point is that legitimacy is a cultural phenomenon, it involves processes of communication, it is wrapped up in questions of power and dominance, and its study must be sensitive to these characteristics. The study of legitimacy therefore encompasses a range of topics both familiar and unfamiliar in the study of management.

1. **Perception Correction:** If stakeholder perceptions of corporate behaviour are inaccurate, attempt to change them through education and information.

   Legitimation - we don't pollute as much as you have been told

   De-legitimation- they pollute much more than you have been told

2. **Issue Reframing:** If changes in stakeholder perceptions of performance are not possible, attempt to change the way the issue is understood.

   Legitimation - sure we pollute, but look at the alternative: job loss, foreign competition, loss of potential development

   De-legitimation - tobacco is a public health issue, not an economic issue

3. **Image Reframing:** Alternatively, attempt to change the overall way the company is understood.

   Legitimation - sure we pollute, but look at all the good things we do to make up for it

   De-legitimation- sure they provide employment, but they also do business in South Africa

4. **Expectation Modification:** Attempt to change expectations for corporate behaviour among important stakeholders.

   Legitimation - our profits are not that high when you consider the level of risk in our business

   De-legitimation - tire companies are not simply responsible for making a good product, they are also responsible for finding ways of disposing of used tires

Table II-1: Strategies of (De)-Legitimation

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Paper 3 - Toward a Discourse Analytic Theory of Institutional Production

The idea of an "institution" has proven useful in the study of many different social phenomena (see Jepperson, 1991). The observation that a limited number of patterns of social organization - the art museum, the corporation, and the business school for example - occur across a wide range of contexts continues to be explored and expanded (e.g., Powell & DiMaggio, 1991; Zucker, 1988). But what are these institutions and how are they created and maintained? I believe that it is useful to understand abstract institutions (the idea of an art museum, a corporation, or a business school) as discursive products arising out of the ongoing production, dissemination, and interpretation of "texts". Any instance of an institution (the Museum of Modern Art, IBM, the Wharton School) can also be thought of as a discursive product, but one which draws on available institutional constructs to organize and account for sets of material practices. In each case, the process is full of conflict and ambiguity as individuals and groups struggle to influence the outcome using various kinds of economic, symbolic, and cultural capital (Thompson, 1990: 148).

This observation opens up a new approach to the study of institutions[13]. If institutions can be thought of as discursive products, then various forms of socially-oriented, critical discourse analysis (van Dijk, 1993) become available as methodologies for their study. Perhaps most importantly, the growing literature on discourse analysis provides a range of tools and theoretical concepts for approaching *the actual process of institutional production*. Rather than limiting our investigation to existing institutions and institutional fields, the process of institutionalization, and the underlying social mechanisms, can be examined. Through the addition of a discourse analytic methodology, the interplay of texts underlying institutions, the interests and social positioning of the participants, and the participant's discursive strategies all become available for empirical study. In this way, discourse analysis provides an approach to the empirical study of institutional processes as highly-political, interpretive phenomena (e.g., Parker, 1992: 17).

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[13] I use the term "institution" here in a way intended to echo Hughes that "[t]he only idea common to all usages of the term 'institution' is that of some sort of establishment of relative permanence of a distinctly social sort" (1936: 180). I will

The addition of a discourse analytic view to institutional theory solves several important problems. In particular, the recent institutional theory literature has too often failed to deal with the fact that organizations resist institutional pressures (Oliver, 1992) and that organizational stakeholders often act as "institutional entrepreneurs" by using institutional mechanisms to attain their own ends (DiMaggio & Powell, 1991). Since the ground-breaking contribution of Meyer & Rowan (1977), the institutional theory literature has focused on the effects of taken-for-granted institutional patterns at the expense of a sensitivity to their production and strategic use and, therefore,

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discuss a more specific definition of the term later in this paper.

underemphasized the importance of the power and interests of organizational stakeholders:

> Power and interests have been slighted topics in institutional analysis. To be sure, Meyer and Rowan (1977) pointed to the power of the state and the collective mobilizing efforts of the professions. DiMaggio and Powell (1983) stressed how coercive processes, that is, the direct imposition of standard operating procedures by powerful organizations in a field, as well as more subtle pressures for conformity, limit variability. But little attention has been focused on how incumbents maintain their dominant positions or respond to threats during periods of crisis or instability. And we know even less about how skilful entrepreneurs put multiple institutional logics to strategic use. (DiMaggio & Powell, 1991: 30).

Critical discourse analysis highlights the political aspect of institutional phenomena by resisting the reification of organizations and instead focusing attention on the active role of self-interested stakeholders in the processes through which institutions are produced and maintained. It also focuses attention on the availability of multiple discourses and the usefulness of these multiple and contradictory discursive structures to skilled "entrepreneurs".

In addition, the more recent "neo-institutional" literature (see DiMaggio & Powell, 1991) has been criticized for losing touch with the social nature of institutional processes and with the connection between organizations, organizational behaviour, and society: "it is not possible to understand individual or organizational behavior without locating it in a societal context" (Friedland & Alford, 1991: 232). Critical discourse analysis focuses attention back squarely on institutions and institutional constructs as social products and reconnects institutional theory with its more interpretive roots (Berger & Luckmann, 1966; Selznick, 1949, 1957). At the same time, it provides a theoretical bridge to the growing literature investigating legitimacy and image management from an interpretive perspective (Elsbach & Sutton, 1992; Phillips & Brown, 1993).

In this paper, I will explore the potential contribution of discourse analysis to institutional theory in two ways. First, I will argue that this approach provides a new theoretical framework for approaching institutional processes, particularly the inter-relation between organizations and their broader social framework. Institutions are not natural objects; they are social accomplishments produced through the purposeful and politically motivated activity of various stakeholders. These processes of institutionalization are eminently social processes, and they occur in a social space available to a broad range of stakeholders. Any resulting institutionalized form is unstable and held in place by the continuous activity of powerful stakeholders. Critical discourse analysis provides a theoretical frame that is sensitive to the conflict and ambiguity of this process of institutionalization.

But critical discourse analysis is more than a theoretical perspective, it is also a methodological framework. Critical discourse analysis therefore provides the tools to study the process of institutionalization as a culturally and historically situated social struggle. In the second half of the paper, I will discuss critical discourse analysis as a methodology for studying institutional processes and demonstrate the usefulness of this theoretical perspective by applying it to an instance of institutional management: an image advertising campaign produced by Alcan Aluminium Ltd.

Institutions and Institutional Constructs

The Idea of an Institution

The term "institution" has been used in many different ways in the study of social phenomena (Jepperson, 1991). In organizational analysis, it tends to appear in one of two forms (DiMaggio & Powell, 1991). First, the term is used to refer to abstract, taken-for-granted patterns of organizing that shape and constrain the behaviour of societal members (Berger & Luckmann, 1966; Zucker, 1983). Institutions in this sense are cultural resources that we use to structure our behaviour and to interpret social activity (Geertz, 1973). They act to shape our experience of the world and our ideas of "legitimate" patterns of organization (Dowling & Pfeffer, 1975; Meyer & Rowan, 1977). As a result, these institutionalized cultural patterns constrain our actions and our ability to conceive of options as we act in everyday situations. While social innovation is obviously possible, institutionalized modes of organizing provide already legitimated ways of proceeding in social interaction: to organize in an innovative way can often cost innovators economically (it increases risk), cognitively (it requires more thought), and socially (it reduces legitimacy).

In examining organizations we can observe this effect at two levels. At the organizational level, certain ways of organizing become the "normal" way of patterning interaction regardless of the technical requirements of the task at hand (Meyer & Rowan, 1977). The corporation, for example, has become the taken-for-granted way of organizing a huge range of activities from the provision of day care services to the production of automobiles, even when the contribution of the organizational form is suspect (Deetz, 1992; Zucker, 1983). In a similar fashion, various modes of organizing inter-organizational activity become widely accepted and understood (Alter & Hage, 1993). The joint venture, for example, has become a standard way to organize a wide range of inter-organizational activity. When an inter-organizational venture is planned, the joint venture is often the "obvious" choice. Over time, the result of this tendency to institutionalize is a well-developed set of widely understood and accepted forms of organizing that can be adapted to the task at hand and that carry with them a degree of legitimacy and acceptance.

But "institution" has another important meaning in the study of organizations; it is also used in organizational analysis to describe actual organizations that have become invested with value and that are perceived by organizational members to exist independently of them (Selznick, 1949). Institutions in this sense are "legitimated social groupings" that exist independently of any particular goal or group of organizational members (Douglas, 1986: 46). Organizations that have been constructed out of the available taken-for-granted patterns of organization (Meyer & Rowan, 1977) can become valued for what they are, rather than for what they do, and can take on an independent reality for members and outside observers. An institution in this sense can be large or small, new or old, and can be legitimated in any number of ways. What is important is what is excluded: any purely instrumental or practical arrangement that is recognized by members as such.

Since these institutions are highly valued, attempts to change them will often be seen as "unfair" or "unethical" (Hirsch, 1986). For example, on hearing that the first

McDonald's was about to be torn down one distraught customer wrote the following:

> Please don't tear it down! . . . Your company's name is a household word, not only in the United States of America, but all over the world. To destroy this major artifact of contemporary culture would, indeed, destroy part of the faith the people of the world have in your company. (Ritzer, 1994: 4)

Clearly this customer has come to value McDonald's in a way quite distinct from the quality of its products or the speed and efficiency of McDonald's service. The customer has come to value McDonald's as an "institution" and has a significant degree of loyalty and positive feeling towards the company completely abstracted from the common, everyday production of hamburgers that forms the core of McDonald's as a business.

But this kind of institutionalization does not stop at the organizational level. The patterns of interactions that occur between organizations can also become invested with value, resulting in an institutional field populated by valued institutions interacting in patterned ways that have also become institutionalized (DiMaggio, 1991; Ritti & Silver, 1986).

For example, consider the attempt by Queen's University to privatize certain parts of their MBA program. The primary argument used by opponents of privatization is not that students will receive an inadequate education, nor that the program will fail financially. Quite the contrary. Their concern centres around the fact that privatization may be successful, and that this will set a precedent for other programs within the business school and for other business schools. The new program challenges the current, highly-valued, public form of organization upon which Queen's is based and the taken-for-granted, institutionalized relations that exist in Canada between the various levels of government and the universities. Several alumni of Queen's business school have already made it very clear that they will make no further contributions to the school if the plan to privatize moves forward. The alumni obviously value the current institutional arrangements, and not simply the service provided by the school, very highly.

Institutions vs Institutional Constructs

My perspective on institutionalization encompasses both the institution as "taken-for-granted construct" and the institution as "organization invested with value" perspectives. It begins with the observation that institutionalized constructs (the hostile takeover, the corporation, the university) and instances of organizing (the hostile takeover of Federated Department Stores, IBM, McGill University) are equally social constructs. Each can be usefully thought of as a cultural artifact growing out of a range of texts through which societal members negotiate the nature and meaning of their interactions. They differ, however, in important ways. *Institutionalized constructs* are entirely abstract entities that, like zero and the equator, exist only in the realm of symbols; they have only epistemological reality (Parker, 1992: 29). Institutionalized constructs exist embedded in sets of texts and are understood by individuals who have been socialized into the appropriate cultural system. *Institutions*, on the other hand, exist where these abstract concepts are connected to social interaction, either to account for it or to organize it; as such, they have epistemological and ontological - they exist in the physical world - reality (Parker, 1992: 28).

Institutions exist in the patterned interactions of stakeholders that are shaped and interpreted using the related institutional construct. We know how to act as members of organizations, and how to recognize and interpret the activity of organizational members, through the associated institutional construct.

As an example, consider the development of the hostile takeover as a legitimate business activity. Examined from this point of view, the "hostile takeover" is an institutionalized construct produced by a very large body of texts - including news reports, books, movies, documentaries, and so on - that discuss the "hostile takeover" from many different positions (Hirsch, 1986). At the same time, any actual hostile takeover is shaped by the more or less legitimate "hostile takeover" construct that exists in a society at the time the hostile takeover occurs. A hostile takeover can only occur - actors can only know how to perform one and observers can only interpret sets of actions as a hostile takeover - because of the existence of the hostile takeover construct. A complex play of metaphors and many potential symbolic roles and objects (white knights, black knights, damsels in distress, greenmail, poison pills) have developed as players have worked to make sense of this new phenomena. There are no "natural" forms of interaction - both the hostile takeover construct and actual instances of hostile takeovers are social accomplishments; they are the product of a range of texts produced by various actors for various reasons.

Given the importance of this process, it is not surprising that conflict and power play central roles in determining the result. Hirsch (1986) describes in some detail how the construction of the hostile corporate takeover as a legitimate business activity has been a long and contested process. The initial response to hostile takeovers (in the early 1960's) was completely negative and constructed business people who engineered takeovers as "rapists" or "pariahs" using "funny money" to "rape" innocent companies. The hostile takeover was a tactic developed by marginal participants, and it clearly contravened the standards of "gentlemanly" behaviour expected of executives. The executives of threatened companies were therefore "defenders of the faith" and they could use the illegitimate nature of a hostile takeover as part of their strategy to defend their position. At that point in time, the hostile takeover was not a legitimate acquisition tactic and it was quite easy for threatened companies to frame the activity as deviant and ethically suspect. The resulting illegitimacy led to government intervention to limit this sort of activity.

Over time, however, especially as larger, more central firms began to participate, the hostile takeover began to gain legitimacy. The idea that takeovers could be good for shareholders, and could restrain executive excess, became an important part of the discourse. Economists, unions, and legislators entered the fray. Slowly, the discourse surrounding hostile takeovers changed until the primary metaphor was no longer robbery or assault, but rather a game or a courtship. The one-sided construction of aggressor and victim was replaced by a metaphor of equals in which no party deserved sympathy. As the re-construction of the hostile takeover progressed, it became a more and more accepted business practice used routinely by large companies. While the initial constructions of "rape" and "assault" remained available, and were often used, the more neutral construction of a "game" or a "battle" became dominant. The hostile takeover had become institutionalized as a legitimate business practice - the "hostile takeover" construct had, through significant discursive struggle, been reconstructed as businesslike conduct.

Background and Defining Terms

As I suggested above, critical discourse analysis is of value to institutional theorists for two primary reasons: (1) critical discourse analysis allows the *process* of institutionalization to be investigated; and, (2) critical discourse analysis emphasizes the *political* nature of the process and thereby re-instates[14] power as a topic of study in institutional theory. Critical discourse analysis focuses on institutional phenomena as socially constitutive processes growing out of a political struggle. It provides a set of concepts and related methods for unpacking institutional phenomenon. These two aspects of critical discourse analysis will be dealt with in the following two sections of the paper. But before I can deal adequately with these two aspects of discourse, I will pause and explain what I mean by the terms text and discourse.

What is a Text?

I use the term "text" in a broad sense to mean any delimited phenomenon that can be interpreted (Parker, 1992: 6). In other words, a newspaper story, a corporate report, a retirement party, and a billboard are all texts. In fact, almost any social phenomena can be regarded as a text and explored from this perspective (Eco, 1976:

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[14] I say re-instate purposely as power and politics were clearly topics of interest for Selznick (1949) in one of the founding studies in institutional analysis.

22). Almost all of our activities, while having practical effects, are also interpretable symbolic phenomena. Our choice of clothing, for example, is not based simply on our need for protection from the cold and sun, but also on our desire to project (or construct) an identity through the act of "consuming" clothing (Knights & Morgan, 1993). Our clothing is a complex text drawing on more-or-less shared understandings of the meaning of items of clothing. The existence of the fashion industry attests to the symbolic importance of clothing as a text and, even more so, attests to the ongoing development of new ways of expressing our identities (Barthes, 1983).

But how do texts "mean"? In considering texts and their meaningfulness, a useful place to start is with semiotics. Semioticians have, for some time, argued that texts depend for their meaning on complex systems of signification. These systems of signification provide the semiotic codes that allow things *to stand for other things* (Deely, 1990). It is a complex semiotic code that allows a dark blue pinstripe suit to represent status and wealth while torn jeans represent poverty. Of course, this system may become inverted and the torn jeans (at least if they are torn by someone else and torn in the correct way) can also come to signify status and wealth. The meaningfulness of social texts is, in principle, parallel to the meaningfulness of this paragraph; they are both structured texts which can be decoded using particular systems of signification developed over time by certain groups. Therefore, ideas from the semiotics of written texts (Bakhtin, 1981, 1986; Barthes, 1964) can be usefully extended and applied to social texts (Gardiner, 1992; Hodge & Kress, 1988).

Discourse analysis moves beyond this original conception of semiotics. In traditional conceptions of semiotics, the object of study was explicitly not language in use, but rather this system or code that allows instances of language to be meaningful (Saussure, 1974). Language in use - the actual texts we encounter in the world - were thought to be too varied and idiosyncratic to allow systematic study. In contrast, from the perspective of discourse analysis, actual texts are the *focus* of attention (Cook, 1992: 70-71; Fairclough, 1992: 63). While actual language in use shows tremendous variation, its variation is not without limit. Various ways of speaking are available to speakers and these ways of speaking are used strategically in working towards social ends. How language is used depends on the social situation; that is on the nature of the relationship between the participants, their social goals, the economic, social, and cultural resources they have available to them, and so on. Since these variables appear in the world in patterned ways, *the variation in language use is also systematic*.

In reflecting on language in this way, discourse analysis recognizes that texts have a context and that some of the variation in actual texts grows out of this context. Studying language in use must therefore also be the study of the social context of the utterance and must include a recognition of the importance of this context to the process of production, dissemination, and interpretation of texts. This context is populated by various actors who produce and consume texts from particular social positions while acting on different interests. In turn, texts play a role in this activity by acting to construct the social world in which the actors act. In other words, while texts depend on their context to be meaningful, the social world - the context - is made meaningful in turn through texts. This complex process is very much a social one and depends on a wide range of social practice. The focus of discourse analysis is, therefore, discourse as a *social practice*.

Focusing on discourse as social practice leads to a focus on the political nature of discursive activity. Texts are the purposeful products of an individual or group and act to construct the social world. The interpretation of texts is therefore crucially important to the maintenance (or modification) of patterns of social relations. In examining texts, favoured interpretations (the hoped for interpretations of the producer) can often be discerned by knowledgable interpreters. These favoured interpretations provide a measure of insight into the political strategies of the producers. Empirical studies of the role of the texts in their social context can provide a window into the ongoing construction of the social world. The study of discourse is therefore also the study of the political process underlying social reality.

It is important to emphasize that the meaning of any text, is not, however, *determined* by the producer of the text. Texts are always at least somewhat ambiguous and leave room for alternative interpretations and, therefore, for resistance. Texts can also be taken over and re-invested with alternative meanings. Young (1989) in his study of a small manufacturing firm found just such a phenomenon when he discovered that the same social practice - in this case the wearing of a rose - had very different meanings from one social group to another within the factory. The roses which were meant to foster corporate solidarity and celebrate St. George's Day actually functioned to maintain the divisions between social groups (i.e., in this case the divisions were by shift and age) within the plant. The workers used the roses as a potent symbol of subgroup membership while, from the outside, seeming only to mark a particular social occasion.

What is a Discourse?

The term discourse has a range of meanings within social studies. As I use the term here, a discourse is a system of texts that brings an object or set of objects into being (Parker, 1992: 5). For example, the discourse of psychology brought into being a whole different understanding of madness, its causes, and its treatment. The unconscious appeared early on in this discourse, brought into being by a set of texts that allowed the unconscious to be discussed, examined, and behaviour to be interpreted based on its existence (Foucault, 1965). Similarly, another set of texts, the discourse around AIDS, produced a new social object that made sense of a set of symptoms and diseases that were previously though to be unconnected. The medical and social discourse surrounding AIDS continues to encompass a massive struggle over the nature and appropriate response to this new object.

But the term discourse refers to more than simply a set of texts; it also includes the structures and practices that underlie the texts and their production, transmission, and reception: what I will call the discursive structure (Fairclough, 1992). If we examine discourses from this perspective, we find sets of texts *and associated methods of textual production, transmission, and reception*. At this level, many discourses draw on other discourses for practices which then become part of the new discourse. For example, the AIDS discourse is particularly complex as it brings together ways of speaking that are associated with the political, medical, scientific, moral, and economic discourses. The discourse surrounding AIDS depends on a high degree of interdiscursivity to provide the many ways of talking available to the participants in the discourse. The way they are brought together and used to structure the discourse surrounding AIDS constitutes the discursive structure of the AIDS discourse.

Perhaps the most well known application of the idea of discourse as a discursive structure can be found in Foucault's (1972) work on the development of the social sciences. His primary interest was in the way discourses created objects, subjects, and social relationships. From his perspective, discourses were very deterministic, creating only a few sites from which one could speak, allowing only a very limited range of texts to be produced, and determining the direction of subsequent discursive change. In addition, individuals were completely disciplined by the discourses that were available to them. Any resistance was limited to resistance within the discourse; resistance was therefore another part of the seamless discursive whole. While his work is powerful and convincing, the kinds of discourses he considered (i.e., the social sciences) and his intense focus on the discursive structures underlying particular fields (and not the actual texts) makes his work difficult to apply in analyzing the kinds of texts that I wish to investigate here.

Instead of Foucault's very strong perspective, I would like to argue for a more measured viewpoint by emphasizing the dialectical relation between the texts of a discourse and the discursive structures by which they were produced; I would like to argue for a dialectical conception of discourse (Fairclough, 1992: 65). From this perspective, discursive structures and actual texts are in a dialectical relationship. They are mutually constitutive and mutually modifying, but in constant struggle. Instead of Foucault's seamless discursive web, discursive structures are always in the process of becoming and are therefore full of ambiguity and contradiction. These ambiguities and contradictions are available for actors in their attempts to undermine or modify the discourse. The rather deterministic view of Foucault is replaced with a view that is less constrictive and more reflective of the complexity and indeterminacy of real discourse and of the ability of actors to struggle against the limits of discursive structures without necessarily strengthening them. This dialectical conception highlights the often highly political uses to which actors put discursive practices.

In addition, I believe that Foucault's position underestimates the availability of alternative discourses. Actors are not as powerless as Foucault's work suggests for the simple reason that they can choose from among several competing discourses in framing their utterances. Most discourses are not as powerful and cohesive as the discourses that Foucault chose to study and in studying actual texts as they are produced in social interaction the role of interdiscursivity becomes apparent (Bakhtin, 1981, 1986; Gardiner, 1992: 88-89). Most ongoing interaction draws on a number of discourses and is crisscrossed with tensions and contradictions. Astute social actors can capitalize on these points of tension in their ongoing social activity.

Discourse as Social Practice

As I said above, discursive practice is an important form of social practice. It is carried out between people, and has important social effects. But this does not mean that all social practices are discursive. Discourse becomes a much more useful term if it can be differentiated from other forms of social practice. The most useful way to differentiate discursive from non-discursive activity is by the effects of the activity: discursive activities function to enact discourse and to embed actors - managers, employees, union leaders, for example - in the discourse. *Discursive activity is activity which acts to maintain or modify a discourse, the social structures related to a discourse, or to enact a particular discourse in a social situation in a significant way.* The difference, then, is one of the degree of discursivity. What is important is to recognize that discursive practice is a form of social practice with important effects, and that while almost all activities have a discursive aspect, not all activities have a significant discursive aspect in the sense that the discursive component of the activity is of consequence to social actors or to social structures.

The relationship I am suggesting between texts, discourse, and social practice is shown in Figure III-1. At the centre of the discursive system are the texts that make up the discourse. Texts are structured symbolic objects that can be interpreted. Texts form the foundation of the discursive system and of the social reality that the texts support. It is at this level that different actors with different interests come into conflict as they work to produce texts and to ensure their favourable interpretation.

Figure III-1 About Here

But while discourse analysis, like semiotics, begins with a consideration of texts as structured entities, it does not end with the text. As I have argued above, texts are produced and interpreted using a set of discursive practices. Surrounding the texts in Figure III-1 are particular ways of creating, disseminating and interpreting texts: the discursive context of the text. Discourse analysis is the study of what is contained in this second box.

But discursive practices are only one kind of social practice and are embedded in a whole range of other social relations. Therefore, in Figure III-1, social practice surrounds discursive practice and the texts. This box represents the social world in which the text is embedded. My interest in this third box - in all of the non-discursive practices that make up the lives of organizational stakeholders - provides the motivation to study the other two boxes. The importance of discourse analysis lies in its potential contribution to our understanding of this third box.

For example, imagine that an image advertisement is produced for a corporation by an advertising agency. The text, in this case, is the ad itself. It is a structured symbolic artifact that can be examined without reference to its context. The tone, the kinds of figures of speech, and other internal characteristics are important aspects of the text. But it also has a discursive context; it draws on discursive practices used in product advertising, news presentation, and other forms of corporate legitimation. In addition, the advertisement and the discursive practices used to produce it are embedded in the web of social relations that surround the company. It is, in fact, this web of social relations that gives the text a purpose and that led to its production. Any discursive event is therefore a piece of text, an instance of discursive practice, and an instance of social practice (Fairclough, 1993: 136). This idea lies at the core of discourse analysis and provides the framework for understanding the process of institutionalization.

Critical Discourse Analysis

Despite the recent increase in interest in the subject, the observation that language and power are closely linked is not a new one. C. Wright Mills, for example, observed nearly sixty years ago that "[w]e can view language functionally as a system of social control" (1939: 677). More recently, Clegg and Dunkerley (1980) have argued that the ability to control meaning, and hence to control the way questions are framed and issues understood, is the primary mode of power. It is only when this mode fails that other, more obvious, forms of power must be used. The development of a critical perspective on discourse analysis provides a more developed and focused perspective on this relation than these earlier formulations. In fact, a version of discourse analysis - Critical Discourse Analysis - has been developed specifically as a way of exploring how inequalities of power and advantage "are enacted, reproduced and legitimated in talk and text" (van Dijk, 1993: 132).

The central idea in this critical version of discourse analysis is that discourse structures the way we talk, and who can talk, in ways that privilege some at the expense of others. The idea that discourse reproduces institutions and patterns of social relations, and thereby reproduces patterns of power distribution, is an important one. This is not the same thing, however, as saying discourse and power are the same thing. Despite the popularity of Foucault's (1980) "power/knowledge" couplet, it is important to separate power and discourse. While discourse may reproduce power relations, the ability of interpreters to resist makes the differentiation between power and discourse worth retaining. Without this space, no real resistance is possible and discourse becomes a great clockwork machine whose internal logic drives it towards a predetermined end despite the activities of the inhabitants of the discourse. Instead, it is important to examine how the invocation of a particular discourse *actually* affects the way participants can speak and, even more importantly, who can speak. The relation between power and knowledge in critical discourse analysis is, therefore, not a theoretical one, but rather an empirical one.

My argument for the ability of people in real situations to resist discourse is straightforward (and I am not saying that people can always resist or always choose to do so when resistance is possible). It begins with the observation that real people in real situations are not embedded in a single, all encompassing discourse. Instead, the discursive complexity of the institutional positions from which people speak creates the possibility of playing discourses off against each other by constructing texts that draw on more than one discourse (Freidland & Alford, 1991: 232). Choosing a discourse does, however, have certain consequences and it is these consequences, as well as the sources and nature of the various discourses available, that are the focus of study in critical discourse analysis.

In studying organizations from this perspective, we are therefore interested in the discourses available within an organization and in whose interests they function. We are also interested in how these discourses are used and the kinds of subject positions that must be taken up in order to use them. The study of organizations becomes a study of the discourses that support the ongoing accomplishment of the organization and the effect of these discourses on employees, managers, and other stakeholders.

Ideology

This discussion brings us to the topic of ideology, a topic I am hesitant to approach given the highly contested nature of the term in social science. As Geertz observed, "it is one of the minor ironies of intellectual history that the term 'ideology" has become thoroughly ideologized" (1973: 193). But ideology remains a useful term and its application here is merited and follows the existing literature in discourse analysis (Fairclough, 1992: 86-91; Parker, 1992: 19-20; Thompson, 1990). Rather than reviewing the ways in which ideology has been used (see Thompson, 1990, 1984), I will simply follow the definition that is most useful here: ideology is meaning in the service of power (Thompson, 1990:7). Expanding on this a little, discursive structures and practices are ideological when they contain representations of reality that contribute to the production, reproduction, or transformation of relations of power (Fairclough, 1992: 87). Discursive activity that leads to the maintenance or transformation of power relations is therefore ideological. This concept provides a useful way to differentiate between discursive events that are related to power in a meaningful way and those that are not. For example, it seems reasonable to me that political advertising is more ideological than a conference on cell biology, although both may be highly discursive. This definition gives us a conceptual framework within which we can explore the relation between power and discourse and identify the most important discourses as the most ideological. In other words, from the perspective I am developing here, the most important discursive events are the ones that have the largest role in the development and maintenance of the patterns of power distribution in the organization and which are therefore the most ideological (Mumby, 1988).

Hegemony

A final concept that I find useful in discussing the relation of discourse and power is the concept of hegemony. Originally developed by Gramsci (1971) in a somewhat different form, the concept of hegemony provides a useful point of departure in applying the above conceptions of power and discourse to social activity at an organizational and inter-organizational level. Introducing the concept avoids the tendency, perhaps most pronounced in the work of Althusser, of seeing ideological systems as overarching and inescapable systems of domination. Instead, a hegemonic system is a temporary and unstable equilibrium in a social system constructed through discourse that results in one social group having power over others:

> Hegemony is about constructing alliances, and integrating rather than simply dominating subordinate classes, through concessions or through ideological means, to win their consent. Hegemony is a focus of constant struggle around points of greatest instability between classes and blocks, to construct or sustain or fracture alliances and relations of domination/subordination, which takes economic, political, and ideological forms (Fairclough, 1992: 92).

From a hegemonic point of view, the goal of discursive activity is to produce a social equilibrium that privileges your own group. These systems are temporary and are built on alliances and on ideological discursive activity. The hegemonic system functions to divide potential allies that would oppose your own group and to strike up alliances with other groups where possible. The resulting view is highly political, with ideological discursive activity lying at the centre of a range of other political practice in an ongoing struggle for power and position.

This is the version of discourse analysis that I believe is most useful in analyzing organizational activity generally and institutionalization in particular. The process underlying "organization" and resulting in both institutions and institutionalized constructs is a discursive struggle for hegemony by different groups of stakeholders each holding different resources. The struggle occurs through texts that construct the world in differing ways and that may be resisted or inverted through the construction, by competing groups, of other texts. The object of the struggle is to win a temporary equilibrium that privileges your own group and that exists until it is overwhelmed by the ambiguity produced by alternative texts. This sort of process occurs at many different levels in society and untangling this web and discerning the appropriate levels of analysis is an important part of the practice of discourse analysis.

Objects, Subjects, Concepts, and Discourse

Underlying the above discussion is a strong argument for the active role of discourse in the creation of social reality: discourses do not mirror reality, they create ways of understanding the world; they do not reveal some hidden, pre-constituted reality, but rather provide subject positions, concepts, and objects that actors use to fashion a social world. The idea that language has a role in the constitution of reality has, of course, become a commonplace in a wide segment of social studies primarily as a result of work in social constructionism and natural language philosophy (Berger & Luckmann, 1966; Winch, 1958; Wittgenstein, 1957). The idea that words divide up the world, and not the reverse, has been argued by a group of social theorists for decades. The influence of these ideas has also been widespread in organizational analysis with perhaps the most clear links to institutional theory (e.g., Meyer & Rowan, 1977). The theoretical position I am developing here is, therefore, an extension of ideas that are already current and well-understood in organizational analysis generally, and in organizational theory in particular.

But what kinds of things are constituted in discourse? For our purposes here, it is useful to differentiate between three kinds of constructive effects. This typology is useful in analyzing institutionalization as a discursive event and leads to the three questions that form the starting point in the approach to discourse analysis I will outline here. The three entities constructed in discourse are subject positions, concepts, and objects (Fairclough, 1992: 64; Parker, 1992: 6-8). I will consider each in turn.

Subject Positions

The idea that discourse is socially constitutive brings with it an important consequence that I have not mentioned up to this point: when individuals participate in particular discourses, they act to construct their own subjectivities (Gergen, 1991; Rorty, 1989). Subjects do not join in social interaction as fully formed subjects, bringing with them subjectivities that affect their interaction but are not affected in turn. Instead, subjects are "decentered" (Fairclough, 1992: 44-45; Gardiner, 1992;

Potter & Wetherell, 1987). They are a product of interaction and are continuously re-created through discourse.

Theorists such as Foucault (1972) suggest that limited numbers of positions exist within discourses from which individuals can speak and act. Statements are not, therefore, a product of independently acting subjects. Instead, subject positions are a function of the discourse and speaking within a discourse requires the actor to take up one of the subject positions. Statements therefore can be thought of as positioning the subjects that produce them in particular ways: "to describe a formulation *qua* statement does not consist in analyzing the relations between the author and what he says (or wanted to say, or said without wanting to); but in determining what position can and must be occupied by any individual if he is to be the subject of it" (Foucault, 1972: 95-96). Within the corporate discourse of "managing", for example, the positions of manager and employee are clearly delineated. If the discourse is to be used, the potential roles available to the individuals involved are limited and circumscribed. The discourse acts to shape the subjective experience and actions of the participants. The problems involved in instituting participative management programs grow out of the inflexibility of this discourse. The lack of success in transferring Asian management principles to American and Canadian companies grows, in part, out of the dramatic differences in the discourses that constitute management in the two countries (Clegg, 1990).

Taking another example, illegal drug use can be characterized as a sign of moral degradation or as a public health problem. Each of these positions is associated with a different discourse containing different subject positions. If a drug user invokes the "public health" discourse, they are immediately subjecting themselves to a process of medicalization that results in their positioning as a patient. *They become a person in need of medical treatment.* Invoking the medical discourse may effectively prevent the invocation of a legal discourse and the resulting construction of the user as a criminal and moral degenerate, but it has the inescapable effect of creating sets of social structures that disempower users and empower the medical community. Currently, there is no alternative discourse that empowers users (for example a "recreational" or "rights" discourse) although one can be imagined along the lines of the one created around handguns in the United States.

But the discourse doesn't only position subjects in the sense of potential actors within the discourse; the interpreter of a text is no less dependent on the discourse. According to Althusser (1971), texts "hail" their interpreter and thereby shape the position from which the interpreter interprets the text. A text makes available a space for a particular type of self to step in. The discourse creates a social world of a particular kind by making assumptions about the interpreter that become naturalized in the act of interpretation. For example, interpreting an advertisement positions the interpreter as a consumer in a world made up of the consumption and production of material goods: "Ads create an 'alreadyness' of 'facts' about ourselves as individuals: that we are consumers, that we have certain values, that we will freely buy things, consume, and on the basis of those values, and so on. We are trapped in an illusion of choice" (Williamson, 1978: 42).

Invoking a discourse, then, has important consequences for the actors involved. Different discourses provide different positions from which they can speak, act, and interpret and different resources for their speaking and acting. From this perspective, a "self" is the result of a set of contending discourses: "selves" are a discursive product growing out of social interaction (Gardiner, 1992: 72). The self, no less than institutions or other social structures, are social products and are therefore historically and culturally contingent. They are also available in the ongoing struggle that characterizes social reality. The discursive struggle for social resources therefore involves the very "selves" of the participants. Strategically invoking a discourse to gain political advantage in a social struggle has, like the example of the illegal drug user above, consequences for the speaker as well as for the receivers of the text produced.

Concepts

Concepts are the set of categories, relationships, and theories through which we understand the world and relate to one another. Concepts make up what Harré (1979) refers to as the expressive sphere: all of the conceptual ideas that make up our cultural background. From a discourse analysis point of view, concepts are all of the constructions that arise out of structured sets of texts and that exist solely in the realm of ideas. They are more or less contested, and are culturally and historically situated. They are the fundamental ideas that underlie our understandings and relations with one another. The taken-for-granted institutionalized constructs (i.e., the corporation, the Chief Executive Officer, Total Quality Management) that I discussed above are concepts from a discourse analytic perspective.

Earlier, I used the example of a hostile takeover as one institutionalized construct (or, equally, one concept) that had arisen out of one discourse. Ideas such as "downsizing" and "process re-engineering" are also good examples of concepts that have arisen in the management or business discourse. In each case, the concept remains more or less ambiguous and contested and has arisen out of a complex mass of texts that continues to be maintained through discursive acts. In some cases, like the concept "zero", the concept has settled to the point of naturalization - the idea that there was ever a time when there was no "zero" seems strange to us now. The idea that it was invented, and championed, stranger yet. The current discursive activity that occurs around the concept "zero" would primarily consist of educating children in the meaning and use of the concept. In other cases, like "capitalism", the meaning of the concept remains unclear and any attempt to define it is open to resistance and argument despite the two centuries of discussion around the meaning of the term since the word's first appearance.

But in every case, concepts are historically contingent constructions that arise out of a discourse consisting of the texts produced, disseminated, and interpreted by a set of actors in a social situation. Concepts depend on the ongoing construction of texts for meaning and they may therefore change dramatically over time and from social group to social group. Also, since the meaning of a concept is dependent on discourse, and since individual understandings of the world depend on these concepts, participation in the discourse is a political act as *discursive acts that succeed in* *transforming concepts change the world as it is understood.* Discursive acts that are intended to redefine concepts are attempts to fashion preferable social relations and depend for their success on the resources available to the actor producing the text.

Implicit in discursive concepts are ideas of "rightness", what Bakhtin refers to as the "accent" of the concept (Gardiner, 1992: 15). In other words, concepts carry with them a moral evaluation. This accent is part of the ongoing discursive accomplishment of the concept. Accent is open to conflict and ambiguity and is an important part of the political struggle over the concept. Accent is also unstable and open to inversion by groups as they struggle to redefine concepts in ways which change the patterns of social privilege that exist at any point in time (Oliver, 1992).

From an organizational analysis perspective, a legitimate organizational form is one with a positive accent. Clearly this can change over time and alternative organizational forms or ways of conducting business can become more or less legitimate. Organizational practices that were once completely appropriate (i.e., not hiring particular racial or ethnic minorities) can become highly illegitimate through intense discursive activity. Conversely, organizational practices that were once illegitimate (i.e., lending money) can become highly legitimate, even prestigious, activities. Much of discursive activity that surrounds organizational activity involves trying to change the accent of particular concepts to force changes in organizational practices.

Objects

When concepts are brought into play to make sense of social relations or physical objects, then the discourse has constituted an object. Objects and concepts are obviously closely related. The primary difference is the fact that concepts exist only in the expressive order; they exist in the realm of ideas. Objects, on the other hand, are part of the practical order; they are real in the sense of existing in the material world. The concept of a tree exists in our minds as competent speakers of English. The tree that I can see out the window of my study is an object; it is made sensible to me by the concept "tree" and I can write about it to you using the same concept. But the tree itself has a certain existence outside of the discourse that reveals it; it has an ontological reality beyond the discourse. It would continue to exist in a physical sense apart from my experience of it. My death would not entail its disappearance as a material object, although it would necessitate its disappearance as a "tree".

The role of discourse in constituting social objects is even more fundamental. The tree grows and flourishes without any awareness of the concept of a tree: the tree has no idea it is a tree. In social objects like organizations, the concept of an organization is applied, by organizational members and others, to sets of material practices in a way which not only reveals the social practices and makes them meaningful (as in my tree), but is fundamental to their performance in the first place. Changing the concept "tree", or convincing me that the tree is actually a bush, may make me see it differently, but it does not change the tree. Changing the concept of an organization held by organizational members fundamentally changes the way the organization is socially accomplished.

It is at this level that discourse has the greatest impact on the social world and the greatest interest to me as an organizational researcher. Organizations and other social interactions depend on the discursive construction of the underlying concepts and the discursive application of the concept by members to make sense of their experience. By successfully modifying the discourse that underlies important concepts and/or important objects the actual accomplishment of social relationships can be changed. The act of creating and disseminating texts is therefore a highly political act and underlies the most fundamental struggle for power and control. Underlying social reality is an intense struggle to determine the nature of constructs and to determine which construct applies in what case. The result is, not surprisingly, an ambiguous and contested set of discursive structures full of contradiction and subject to continuous negotiation as to their meaning and application.

Recap: Institutions and Institutional Constructs as Discursive Products

From the perspective I have developed here, abstract institutional constructs such as the corporation, the preferred share, and the accounting department are discursive concepts constituted through our discussion of them; they are cultural artifacts created and sustained through discourse. They are not revealed by our ongoing discussion, but are actively constituted and maintained by a discourse. *They are discursively constituted entities* (Foucault, 1972; Fairclough, 1992).

These discursively constituted constructs are available as resources for individuals or groups as they work to create and maintain social reality. From an organizational viewpoint, "the building blocks for organizations come to be littered around the societal landscape; it takes only a little entrepreneurial energy to assemble them into a structure" (Meyer & Rowan, 1977: 345). The introduction and institutionalization of the corporate form in the nineteenth century is an excellent example of this process (Zucker, 1983). Very rapidly, the corporate form became *the* organizational form for business enterprises regardless of the necessity of a plumber being incorporated from an "efficiency" point of view. Anyone setting up a business simply adopted the form as a matter of course; incorporation became the taken-for-granted norm in the business community.

But the discursive processes that constitute institutionalized constructs and institutions are often contested and incomplete. These discursive products are held in place by ongoing ideological activity. Different groups have different interests and, therefore, wish particular constructs to be constituted in certain ways and to be applied in particular circumstances; in other words, different groups work discursively to establish hegemony over a particular social arena. The natural result is that no institutional construct or institution is free from ambiguity and contradiction.

Similarly, interested groups will often work to create new constructs to which others must then respond. Once these constructs (e.g., toxic waste, endangered species, equal opportunity) appear, corporations are forced to deal with the objects that appeared along with the constructs. Since each of these concepts comes complete with an accent, it is obvious what has to be done; toxic waste is bad, and if it is coming out of your plant then you have to do something about it. Once the environmental movement succeeded in institutionalizing constructs like toxic waste as important problems, the smoke rising out of smokestacks no longer signified progress, but instead signified environmental irresponsibility.

This process also happens in reverse. For example, Dutton & Dukerich (1992), in their examination of the New York Port Authority, clearly demonstrated how the necessity of dealing with the problem of the homeless required organizational members to re-institutionalize their understandings of the organization. In order to deal with a social issue that had arisen, they had to change the way they understood themselves and their activities in the broader context of the modern American city. Dealing with a new environmental reality required the Port Authority to re-institutionalize the role and activities for which they were responsible. This re-institutionalization required a tremendous effort on the part of management to discursively reconstitute the Port Authority in a way that allowed them to deal with the problem of the homeless in new and creative ways. Simply policing Port Authority facilities was not sufficient to deal with the problem. They had to develop ways of dealing with the homeless that kept them out of Port facilities and away from Port Authority customers.

Analyzing Institutionalization: Discourse Analysis as a Methodology

In linking the idea of institutionalization to discourse, I have attempted to bring the process of institutionalization into a framework that is sensitive to the construction of the text, the existence of ambiguity, and the centrality of conflict. But discourse analysis is not a theoretical perspective; it is a methodology that provides a framework for approaching instances of discursive activity from some theoretical perspective and investigating the underlying processes on which the discursive activity depends (see

Morrow, 1994: for a discussion of the meaning of the term methodology). In this case, the theoretical subject is institutional theory. Discourse analysis therefore provides an empirical methodology for investigating institutional processes.

Given the above discussion, a useful approach to discourse analysis must be multi-dimensional, historical, and critical. By multi-dimensional, I mean that it must reflect the role of discourse in the constitution of subject positions, concepts, and objects. By historical I mean that it should reflect the historical embeddedness of texts, the way in which new texts draw on older texts, and the role of new texts in recasting the meaning of older texts (Kristeva, 1986). Finally, the methodology must be critical in that it exposes cause-and-effect relationships, and the effects of power, some of which are not necessarily visible to the participants. The method should therefore be empowering to those actually affected by discourse in ways which are adverse and, perhaps, difficult to perceive.

The following methodology is divided along the text/discourse/social relations typology shown in Figure III-1. The result is a framework for examining discursive events that fulfils the criteria outlined in the previous paragraph and that is useful in examining various forms of institutional production. This methodology is necessarily interpretive and dialectical (see Phillips & Brown 1993). The three phases of the analysis are used by the analyst to interpret the text and to investigate its potential role in the social system in which it occurs. The result is, of course, only one potential interpretation of the text and its role in institutional production. There are a multitude of other interpretations that can be developed and argued for. Following this sort of approach will, however, result in well argued interpretations drawing heavily on the texts being interpreted. This methodology will, therefore, make the process of interpretation more structured and more rigorous, increasing the ability of the reader to critique the analyst's interpretation and providing the analyst with a framework helpful in arguing for the validity and completeness of the analysis.

Textual Analysis

Each discursive event is a text of some sort. As a text, the event has a physical existence, even if it is fleeting, and its meaningfulness depends on the elements of which it is constructed and the relation of the elements to one another. *All discourse analysis starts with a set of texts of some kind.* The texts may be interview transcripts, corporate documents, media reports, or any other interpretable phenomena that play an important role in the discursive constitution of a set of social relations. There are, of course, many different ways of approaching texts and the appropriate way to approach a text depends on the kind of text being analyzed; corporate reports (Fiol, 1989), corporate breakfasts (Rosen, 1985) and corporate image advertisements (Phillips & Brown, 1993) require very different approaches. At the same time, several general questions can be asked about the text as a broad framework for its analysis.

Question #1 - *What does the text mean? What is being said in the text and to whom is the text addressed?*

Texts have meaning. While this statement is self-evident given my definition of a text, it also provides a starting point in the process of analysis. We can begin our analysis by exploring exactly what the text "says" at the level of the reader. What is the topic of the text? Who are the main actors present in the text? What relationships are discussed and what facts are presented? These kinds of questions form the basis for exploring the meaning of the text - what Fairclough calls its "interpersonal meaning" (1993: 14).

The idea here is explicitly *no*t to produce some kind of final interpretation or even a critique of the text but rather to explore the surface meaning of the text. The researcher is simply investigating what the text is saying. In this stage of the research, the researcher is developing, and then presenting, a reasoned and general presentation of the facts and arguments present in the text. While the nature of the meaning will, of course, vary with the kind of text, the meaning is still available and discussable. Whether it is a corporate breakfast or an image advertisement, something meaningful is being said and that meaning can be discerned and summarized.

Question #2 - *How is the text "worded"? What are the "key words" or "key images" in the text? What alternatives were available?*

The meaning of the text grows out of a range of communication practices. One important dimension of these practices is word choice. The choice of "key words" or "key images" brings with them a range of connotations that set the tone for the text in important ways. For example, the use of the negative term "terrorist" rather than more neutral "guerilla", or even the positive "freedom fighter", sets a particular tone for a text. Identifying these images or words is a useful step in understanding the structure and meaning of the text. Asking why particular words were used, what alternatives could be have been chosen, and what effect the choice has on the tone and meaning of the text are an important part of an exploration of the text as a discursive event.

> **Question #3** - *What figures of speech (i.e., metaphor, simile, synecdoche) appear in the text?*

Figures of speech are also important in setting the tone and meaning of the text. These figures of speech may be produced in words or in images, but in either case they act to create certain effects within the text that add to the meaning of the text. For example, "Frenchness" may be indicated in the text by including an image of the Eiffel Tower (synecdoche) or frugality by delivering a narrative in a Scottish accent (simile). In any case, a whole range of different figures of speech have been identified and can be used to investigate the production of meaning in a text (Williamson, 1978).

Discourse Analysis

But each discursive element is also a part of one or more larger discourses; it draws on them for higher level meanings and for pre-existing representational practices. In analyzing the discursive event, it is critically important to explore the discourses drawn upon and to identify the hegemonic equilibrium that the discourses depend upon.

> **Question #4** - *What discourses does this text draw upon? What forms of intertextuality appear in the text?*

This first half of this question can be broken down into two smaller questions: (1) what discourses support this text, and (2) how do these discourses appear in the text. First, texts, by their very nature, draw upon the texts that precede them and anticipate the ones that will follow them. Texts are highly dependent on the myriad of texts that surround them. Groups of texts participate in each other's meaningfulness:

texts are interdiscursive products. Any text draws upon a myriad of other texts by invoking sets of practices associated with particular discourses. It is this interdiscursivity that makes the text meaningful and it is here that the historical position of the text is most evident. It is here that the ability of texts to change the meaning of older texts becomes evident and the importance of interdiscursivity in the development of social structures becomes clear. Identifying the interdiscursive relationships in a text is a central part of discourse analysis.

Second, the text may contain actual pieces of other texts: academic writers seek legitimacy by including bits of other papers in the papers they write; political advertising often shows political leader giving speeches; and advertisers often use characters from films or popular songs (or from a competitor's ads) in ads. The appearance of actual pieces of other texts is referred to as manifest interdiscursivity and is an important aspect of the discursive practices underlying a text.

Question #5 - *What subject positions are available in the discourses used in the production of the text?*

Invoking a discourse in the production of a text effects the utterer and the receiver of the text. As I described above, particular discourses come complete with social positions and identities ready-made for the participants. Invoking a discourse always brings with it this sort of cost and identifying the available subject positions within a discourse is an integral part of the process of discourse analysis. For example, the current struggle between the traditional academic discourse and the more modern promotional discourse within the university has important ramifications for the social positions available. Invoking the more traditional discourse makes available the traditional professor/student positions; invoking the marketing oriented business/client relationship inverts the relationship by putting client (student) in the primary position (Fairclough, 1993). The choice of one or the other discourse has a huge effect on the nature of the available subject positions.

Question #6 - *What concepts are constituted by the discourses used in the text?*

In addition to subject positions, texts constitute concepts. By concepts I mean the sets of ideas that we use to communicate, to act, and to interpret what we see. These ideas grow out of discourse and we can identify their development in sequences of texts. Above, I used the example of the discursive development of the hostile takeover. It was developed through a long discourse drawing on a whole range of other discourses (economics, ethics, business). An important part of analyzing that discourse would be to identify the many concepts that were developed along with the hostile takeover concept. Concepts like greenmail (money paid out to avoid a takeover), poison pills (large expenses that have to be "swallowed" in order to take over the company), and white knights (friendly parties that are willing to take over a hostile takeover target so that they can avoid being taken over a hostile party).

Question #7 - *What kind of accent is associated with the concepts that appear in the text?*

As Bakhtin pointed out, concepts are not neutral social constructs but rather have an associated moral or ethical evaluation embedded within them. Bakhtin called the moral or ethical tone of a concept its accent. Changing the accent of a concept is an important discursive strategy that, when successful, can have significant consequences for social relations and power structures. Institutionalized constructs like the corporation have an important positive accent in current discourse that leads to an increasing adoption of the corporate form across wider and wider fields of social activity. Determining how a particular text re-represents certain discursive constructs to change or maintain their accent is a very important part of the discursive analysis of a text.

Analyzing Social Relations

The discursive event is embedded in a larger set of social relations. Particular actors are involved in the production, transmission, and reception of the text. Particular systems of knowledge and ideology surround the text. It is these kinds of contextual aspects that are investigated in the analysis of the social relations surrounding the text. In particular, the analyst should focus on the following aspects of the social context of the text.

Question #8 - *What objects are constituted in the text?*

When a concept is applied to some aspect of the social or physical world an object is constituted. For example, the concept of a family may be used to make sense of the relations between a group of people and to create expectations for their behaviour. A common discursive strategy is to argue for the application of a concept in order to create an object *which then must be dealt with in a particular way*. The Gay and Lesbian community may work discursively to apply the concept of a "spouse" to their same sex relationships in order to bring with it the social legitimation and privileges (tax benefits, insurance benefits, etc.) that come with that understanding of a relationship.

Question #9 - *How are the social structures organized that make up the context of the text?*

The discursive event under examination grows out of a particular social context. It is produced by someone occupying a particular social position, with access to certain resources, and acting out of certain interests. There may be intermediaries involved in the process of dissemination (i.e., the media) whose role and position are also worth examination. Finally, the receiver is similarly socially situated in a set of institutional structures and interprets the result from a position determined by their cultural and historical situation, their access to resources, and their interests.

Question #10 - *What are the ideological and political effects of the text?*

Discursive events are interesting from an organizational analysis point of view because they have ideological and political effects. From an institutional theory perspective, those effects are evident in the social relations and patterns of interaction that occur in and around organizations. In analyzing discourse, the analyst must be sensitive to how the producer(s) of the texts under analysis are attempting to construct the world and what kinds of political ramifications this construction would have.

An Example: Alcan Canada Ltd.

> *Alcan will be the most innovative aluminum company in the world. Through its people, Alcan will be a global, customer-oriented and environmentally responsible enterprise committed to excellence and lowest cost in its chosen aluminum and related businesses. In the 1990s,*

> *Alcan's return on equity will outperform the Standard & Poor's Industrials.* - Alcan Aluminum Limited Mission Statement

In the preceding sections, I presented a discursive theory of institutionalization and outlined an approach to discourse analysis which I believe is useful in empirically studying the processes underlying institutionalization. In the remainder of this paper, I will explore the usefulness of this perspective through an analysis of an image advertising campaign as an instance of institutional entrepreneurism on the part of Alcan Aluminium Ltd.'s management. The unit of analysis in this example is the image advertising campaign and my sample consists of one campaign chosen for its theoretical and practical importance. This analysis is tentative and exploratory; it is intended to enhance understanding and to investigate the applicability of the discursive view of institutionalization developed above. In particular, I hope to extend and develop the rather abstract theoretical discussion by applying it to an empirical case, and to make the theory more accessible and usable by connecting it with a real-world example.

The analysis of Alcan's advertising campaign will take place in three steps following the methodological discussion in the previous section. First, I will introduce and discuss the advertising campaign as a set of texts. I will outline the location of the texts and their form and content. Second, I will examine the advertisements and their relation to the larger discourses of which they are a part: the discourse of advertising, the discourse of corporate public responsibility, and so on. Finally, I will examine the social environment of the text and try to discern the political purposes of the campaign *as an act of institutional entrepreneurship* and discuss the way the campaign functions ideologically to maintain and enhance the hegemonic position of Alcan's management.

Image Advertising as Discursive Institutional Entrepreneurship

Before beginning the analysis, I would like to pause for a moment and explain why I have chosen an image advertising campaign as an example of discursive institutional entrepreneurship. In order to explain my choice I will proceed in exactly the same fashion as I did in choosing the campaign: I will begin with my reasons for choosing image management activities as particularly good examples of institutional entrepreneurship; I will then explain why image advertising is a particularly good example of image management activities; and, finally, I will explain why Alcan's image advertising is a particularly good example of image advertising.

First, why did I choose image management as a type of institutional entrepreneurship? Image management programs are excellent examples of institutional entrepreneurship in that they are purposeful, discursive activities carried out by executives (with the help of advertising or public relations firms) as part of their larger, ongoing efforts to manage corporate legitimacy and to maintain their hegemonic position with internal and external stakeholders. At a general level, corporate image management programs are particularly interesting as they deal with a wide range of corporate activities and therefore provide a range of texts for analysis. The architecture of the head office, the design and layout of stores or other facilities, and the meaning of corporate logos and slogans are all parts of the complex identity that managers present to their stakeholders and are all potentially analyzable texts.

Stakeholders come to understand the corporation and its activities through all of their encounters - direct and indirect - with the texts that constitute the corporation's identity (Alvesson, 1990). As the size and complexity of the corporation increases, the corporate identity becomes more abstract and more manageable as stakeholders (including many employees) have less and less direct contact with the broad sweep of organizational activities and as the organization has increasing resources to devote to image management activities. How stakeholders come to understand the corporation, in other words how the corporation becomes institutionalized, depends directly on the texts that the stakeholders encounter. The efforts of management to manage the corporation's identity are therefore a good example of institutional entrepreneurship.

But why image *advertisements*? Advertisements of all kinds are an important part of the mass media. The various media of mass communication - radio, television, newspapers - provide a forum for the dissemination of a tremendous array of texts to huge audiences and are therefore a critically important discursive arena in modern society (Thompson, 1990). From the perspective I have developed above, the texts of the mass media play an important role in the construction and dissemination of a range of texts that form part of the discursive foundation of most institutional constructs. The mass media function as a broad ranging forum for discourse on the family, the corporation, the government, religion, sexuality, and so on. In discussing the process of institutionalization, particularly on the scale of a multinational corporation, the mass media become one of the most important discursive arenas and an obvious choice for this sort of analysis.

Within this discursive arena, advertising is a centrally important channel of communication between corporations and stakeholders (Dyer, 1982; Leiss, Kline, & Jhally, 1986). Advertising is the only portion of the media that can be directly purchased by corporation and used for discursive managerial purposes. Image advertising, while only a small part of the total volume of advertising produced, is a critical aspect of corporate efforts to manage their institutional environments. Image advertisements are texts produced in an effort to institutionalize some understanding of the organization and its activities. They are rich texts that draw on many different discourses in an effort to produce the corporate image desired by the corporation. They are professionally produced texts that purposefully attempt to participate in the discourse that supports the corporation's image among important stakeholders.

Finally, why did I choose Alcan's image advertising campaign? I chose to examine Alcan's ads because of their symbolic complexity and advanced advertising techniques. The ads are produced by a company whose entire corporate image is dependent on the mass media and, as a result, is willing to spend the time and money to produce interesting and effective advertising campaigns. The company produces almost no branded consumer products and therefore suffers the same difficulty as many large industrial giants - many stakeholders have very simple ideas of what they are and what they do. Also, Alcan is facing an interesting set of problems for a company whose image with important stakeholders has always rested on their economic performance and their economic contribution to Canada. Their repeated losses and workforce reductions have cut away at the positive image that the company had enjoyed in the financial community and with employees. As a result, the company must find a new basis for legitimacy. The World of Alcan campaign is the result of upper management re-thinking the meaning of Alcan and then working to pass on their vision to a troubled stakeholder community.

A Brief History of Alcan[15]

Alcan began operation in 1902 as an affiliate of what was to become the Aluminium Company of America (Alcoa). Alcoa itself was originally organized and incorporated as the Pittsburgh Reduction Company in 1883 to commercialize a patent granted to Charles Martin Hall for a new process to produce metallic aluminium from aluminium oxide. His innovation was based on the discovery that aluminum oxide would dissolve in molten cryolite producing a solution that would precipitate metallic aluminium when an electric current was applied. The effect on the world price for aluminum was dramatic. In 1889, it fell by 75% as the cost of producing aluminium fell with the introduction of Hall's new process.

The growth of the Pittsburgh Reduction Company was rapid despite significant market resistance. In 1890, the year that the company began full scale production, about 2600 tons of aluminium were consumed in North America, largely by steel companies for deoxidizing. The Pittsburgh Reduction Company quickly penetrated this market but faced a difficult struggle to convince other industries to begin using aluminium in place of more traditional metals. They did, however, have some success and that, combined with some forward integration into fabricating, allowed them to increase their smelting operations to 2600 pounds per day by 1895. In August of 1895, the company opened a new facility in Niagara Falls, New York. The plant was sited in Niagara Falls to take advantage of the hydro-electric facilities available there. They began by purchasing electrical power but as their need for power increased, they began to purchase mechanical power to which they connected their own generators. This was the beginning of Alcoa's backward integration into electrical power generation. Capitalizing on the resulting cheap power, they increased production to 1185 tons in 1897.

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[15] The information for this section was drawn primarily from Litvak & Maule, 1977 and Campbell, 1990.

By 1899, the growing demand for electricity around Niagara Falls began to drive up the price and the Pittsburgh Reduction Company was again forced to look for a more favourable location. What they needed was long-term, assured access to a cheap source of mechanical power from which to generate electricity. Charles Hall soon identified the Shawinigan region of Quebec as a possible site. The construction of a smelter and powerhouse began on May 23, 1900. In 1901, the Pittsburgh Reduction Company installed four Westinghouse DC generators capable of generating 5000 electrical horsepower. On October 18, 1901 the first aluminium was produced and the Northern Aluminium Company was born. As it turns out, the expansion of the Pittsburgh reduction Company into the Shawinigan area was a fortuitous move. By 1976, the total installed capacity in the Shawinigan area would exceed 4.8 million horsepower and Alcan would be one of the largest aluminum smelting operations in the world.

But the choice of Shawinigan as a home for the Northern Aluminium Company was not based simply on the availability of electrical power. It was also based on the Pittsburgh Reduction Company's need for a foreign subsidiary. Between 1896 and 1938, the world aluminium market was characterized by a series of cartel agreements. Except for the first agreement in 1896, Alcoa was represented in all international cartel arrangements by its Canadian subsidiary. This arrangement was necessary as it allowed Alcoa to participate in the cartels "at arm's length" and therefore to avoid breaking the Sherman Act and risking prosecution. Although Alcoa was not directly involved in the negotiations, its interests were clearly represented by Alcan and, in turn, Alcoa respected the cartel arrangements until the postwar breakdown of the final agreement in 1945.

By 1925, it became clear to Alcoa management that the growing importance of their international operations necessitated some sort of special management arrangement to coordinate the international activities of Alcoa. Rather than an international division at their existing headquarters, the decision was made to create an independent company, based in Canada, to oversee all international activities (except Alcoa's bauxite holding in Surinam). The decision to create a separate company seems to have been based more on political expediency than business necessity. A serious dispute between the founders of Alcoa had developed over the struggle for succession to the presidency of Alcoa between the younger brother of the current president and the son of one of the other founders of Alcoa. To avoid a feud among critically important shareholders, Alcoa was split and the presidency of Alcoa given to one contender and the presidency of the new international organization (what was to become Alcan Aluminum Ltd.) was given to the other.

World War II was a period of intensive growth for the aluminum industry around the world and Alcan was no exception. At the beginning of the war, Canadian ingot capacity was approximately 100,000 tons or about three-quarters of the production available in the British Commonwealth. With the assistance of the governments of Britain, Canada, the United States, and Australia, the production of aluminium was increased almost fivefold. Loans from the British Government ($55 million), the American Government ($50 million), the Australian Government ($2.5 million) and various tax concessions from the Canadian Government provided the capital to build a very large aluminum production facility in the Shawinigan area that far exceeded the after-war needs of the Canadian economy (about 85% of Alcan's production had to be exported). The identification and exploitation of new markets was Alcan's major concern in the years immediately following World War II.

In the 1950's, the Canadianization of Alcan was well underway. Share ownership was increasingly Canadian and the decision was finally made to move the President and Vice Presidents from the American offices of Alcoa to the Head Office of Aluminium Limited in Montreal. This largely symbolic gesture marked a real turning point in how Alcan was understood both within the company and in the Canadian environment more generally. Growing Canadian nationalism played an important role in the decision of the company as it was clear that the difference between an "American company" and a "Canadian company" was important and led to differential access to resources and political support. The movement of the highest officers of the company to Canada was meant to symbolize the "Canadianess" of Alcan.

But Alcan was about to become a truly independent Canadian company. An anti-trust suit filed by the U.S. Department of Justice in 1937 was decided against the company, in appeal, in January, 1951. The decision forced shareholders to dispose of either their shares in Alcan or their shares in Alcoa, leading to a formal split between Alcoa and Alcan. Alcan was, by 1957, a truly independent, Canadian company.

Examining the history of Alcan we can see three defining issues: (1) ensuring a supply of cheap electricity; (2) ensuring a supply of cheap bauxite; and (3) the problems of managing its association with its corporate parent, Alcoa. From a Canadian perspective, issues one and three are the most important and have certainly played the greatest role in the events that have shaped Alcan and Alcan's image in Canada. From the point of view of an aluminum company, aluminium is made out of electricity and Alcan continues to work very hard to ensure an adequate supply of low-cost electricity. It is also still working to convince the world that it is a Canadian company and not an affiliate of an American multinational.

This general history of Alcan provides a background for the World of Alcan advertising campaign I will discuss below. The campaign is both a response to this history and a celebration of the achievements of Alcan. Interestingly, however, this campaign is almost exclusively forward looking and seems to be a conscious break from Alcan's past. The campaign cannot, of course, escape the history of Alcan, but it can work to reshape it in important ways. From the theoretical perspective I have developed above, the campaign is an attempt to discursively construct an image for Alcan which makes the complex web of social interaction and technological wizardry understandable and supportable: it is an attempt to maintain the hegemony of Alcan's leadership through the production of concepts and objects that shape the understanding of important stakeholders in a way which leads them to support Alcan and its activities.

Textual Analysis

The texts I will analyze in this section make up the "World of Alcan" advertising campaign developed by Alcan's Public Relations Group and its advertising agency, J. Walter Thompson. The advertisements appeared as double-paged spreads in *Time*, *Maclean's*, *Report on Business*, *Financial Post Magazine*, and *This Week in Business* in 1989, 1990, and 1991 (Chiasson, 1990). The advertisements also appeared in single page versions in 18 other publications. The campaign was oriented towards a range of Alcan external stakeholders including Alcan employees and was intended to "build an awareness of Alcan's involvement in the business and daily life of other countries around the world" (Chiasson, 1990: 1). It was also intended to boost the pride of Alcan employees by reframing Alcan's corporate image.

An artist's depiction of one of the ads, the single page version of the "Italian Renaissance" ad, is shown in Figure III-2. The main text for the ad is as follows:

> Alcan is a Canadian Company. But when skilled craftsmen painstakingly restore Italy's architectural heritage to its former glory, they often use aluminum castings and extrusions from our Italian subsidiary.
>
> Italian law dictates that all renovations must preserve the precise character and detail of the original structure; be it a landmark, a church,

> a shop, or the humblest domicile. Durable, malleable, versatile Alcan aluminum is being used increasingly in renovating doors, windows, gutters and roofing.
>
> It has also become the material of choice among Italy's most celebrated designers.
>
> Luggage, lamps, solar panels, aircraft and sculpture, have all been graced with our metals. So too, those quintessential Italian stallions, Ferrari and Lamborghini. Indeed, our aluminum even lines Milan's subway cars.
> In renovation, architecture, design, automotive, research, transportation, recycling and corporate citizenship, Alcan is aluminum to the world.

The ads (whether one or two page format) all followed this same design with a photograph occupying the upper 75% of the ad while the main text and Alcan's logo make up the lower 25%. A description of each picture appears in very small type at the bottom left of each photograph. Below the photograph in each case is a main caption in large, bold, upper-case print, with the main text appearing in smaller print below. The main text is divided into several columns and is followed on the lower right by the Alcan logo and the words "Alcan is Aluminium". The words "Alcan is Aluminum" are bold and capitalized. In very small print in the lower left hand corner is the signature of the advertising agency, "J. Walter Thompson".

In each case, the main caption directly below the picture connects some important aspect of a country or region (i.e., "British Pub" or "African Safari") or some important social issue ("Canadian Resources" or "Jamaican Hope") to Alcan. The captions and the photograph descriptions for 12 of the ads are given in the Table III-1 below.

Table III-1 About Here

Question #1 - *What does the text mean? What is being said in the text and to whom is the text addressed?*

So what do these texts "mean"? They are clearly attempts to link Alcan to images and "accents" that are normally quite foreign to it. The ambience of a British pub, the sophistication of Parisian fashion, and the elegance of Mercedes-Benz are linked to Alcan through their mutual association with aluminum. The ads are an attempt by Alcan to change the signified attached to the signifier "Alcan". Alcan is no longer to mean a large scale industrial firm but a part of some of the most interesting and sought after products and experiences in the world. The "reality" of Alcan the industrial giant is disconnected from strip mines, aluminum smelters, and sweat-stained workers and instead associated with a set of affectively charged and semiotically complex signs. In an act of institutional entrepreneurship, the accent associated with Alcan is to become more positive and Alcan as an institution more legitimate and valued.

The representational strategy used by Alcan constitutes a profound departure from Alcan's earlier image advertisements. In their campaigns of the 1970's and early 1980's Alcan used images of aluminum ingots, ships, and hardhatted workers. The captions referred to growth and development - "Sales abroad mean jobs at home"; "50,000 Canadian jobs - a big responsibility"; and "Aluminum. The Great Energy

Bank". In these older campaigns, the focus is on Alcan as an engine of economic growth, an important part of the industrial heart of Canada. But clearly this image of Alcan as an industrial giant synonymous with smelters and hardhats is to be replaced by a much more stylized and less direct image: but what, when thought about literally, does the Italian Renaissance have to do with a huge, multi-national aluminum company?

The ads mystify Alcan at another level. The geographical status of Alcan is represented paradoxically. The first sentence in each main body of text is "Alcan is a Canadian Company", but then the rest of the text outlines Alcan's involvement in the cultural heart of some other country. Alcan is seen as part of American apple pie, of African Safaris, and of the experience of the Great Barrier Reef. The result is a complex signifier connecting Alcan to a range of geographical areas and a set of activities far beyond the production of aluminum. In fact, the production of aluminum becomes invisible and the complex interplay of geographical and cultural meaning overwhelms the knowledge that Alcan is really a complex industrial company made up of strip mines, ships, and smelters. Instead, a new signifier of complex and highly valued cultural symbols appears.

The text is clearly addressed to a range of stakeholders - employees, stockholders, the financial community - for whom the more traditional legitimation devices are no longer sufficient. The financial and environmental problems encountered by Alcan clearly reduce the efficacy of arguments around economic performance (very low aluminum prices have led Alcan to lose money and any improvement in financial performance will be accompanied by an increase in pollution emitted). The change in representational tactics is an obvious outcome of the combined need to improve the legitimacy of the company and to avoid discussions of economic performance and environmental effects. The movement to highly meaningful and semiotically complex advertising techniques is a clear response to the inadequacy of more traditional approaches.

> **Question #2** - *How is the text "worded"? What are the "key words" or "key images" in the text? What alternatives are available?*

While key words and key images are always important, they take on a special importance when analyzing advertisements. The nature of the medium makes conciseness an absolute requirement and the need to catch and retain the attention of the intended audience reinforces the need for strong and straightforward words and meanings. Yet, this does not mean that the key words and images need to be transparent or obvious, simply that they must attract the audience's attention and leave them with some sort of lasting impression.

In the case of this campaign, each advertisement is structured around a powerful image. The key images are therefore the ones I have listed in Table III-1. Scanning the table gives an overall impression of the campaign as an effort to link Alcan to these complex images.

Identifying the key words is not quite as simple but still fairly clear. The most important key words are "Alcan" and "Alcan is Aluminum". These words reappear in each of the ads and, while the text supports and underscores the link between the image and the key words, it is the link between the key images and key words that forms the foundation of this campaign as a discursive institution building process. Other key words also appear. These key words are a sort of "supporting cast" of less important players. It is the secondary key words that set the tone and theme for each ad. For example, in the Italian Renaissance ad, the supporting cast includes "Italian Renaissance", "craftsmen", "architectural heritage", "Milan", "Ferrari", and "Lamborghini". These words create a fabric of connotations that, when supported by the powerful photographic image (which, remember, is of an artist painting a cathedral), produces the "Italianess" that the ad seeks to weave into the image of Alcan held by the interpreter.

The choice of key images and words is a matter of careful and strategic thought on the part of the creator of the ad. These ads are not accidental constructions. Every word and every image was a conscious choice on the part of managers or their representatives among a range of competing choices. The choice of "Italianess" and of the cultured renaissance version of art, architecture and performance automobiles reflects a conscious decision to construct a corporate image tied to these complex cultural symbols and less directly connected to the more traditional image of Alcan the industrial giant.

Question #3 - *What figures of speech (i.e., metaphor, simile, synecdoche) appear in the text?*

Finally, what kinds of devices or figures of speech are used in the texts? First, each of the images and each of the captions are forms of synecdoche. Each title uses part of some whole (i.e., American pie to stand for America) to link Alcan to a set of cultural characteristics or activities. Each image performs exactly the same function (i.e., the use of a picture of two boys with a recycling box full of cans to represent recycling in general). This device provides a useful shorthand that allows the introduction of complex ideas and accents in a very limited amount of space.

As mentioned above, paradox is used in each ad to highlight the identity and scope of the company. Alcan is a successful multinational corporation and the play of ambiguity across the main titles highlights the national roots and international operations of a successful Canadian company. The need to be both international and Canadian is resolved by not resolving it. We are taught, instead, that Alcan can be both internationally oriented and Canadian: a paradox that is reinforced rather than resolved and that becomes comfortable through repetition.

The campaign also uses metaphor in creating an identity between Alcan and aluminum - "Alcan is aluminum" the logo tells us. Aluminum is an important part of many of the technological marvels that make our lives easier and more enjoyable. By creating an identity between aluminum and Alcan, Alcan subtly asks for credit for the role of aluminum in our lives. This representational tactic has the additional consequence of only connecting Alcan to the finished product - an important and environmentally friendly metal - while again distancing Alcan from the environmentally problematic and economically suspect reality of aluminum production.

Finally, the ads use hyperbole - Alcan is aluminum to the world - to emphasize the size and scope of Alcan's reach. Alcan is not just an important aluminum producer, Alcan is the only source of aluminium in the world. Clearly, this is an overstatement but with profound consequences. Alcan becomes the single source of a critical resource. They become a critical company whose product plays an important role in our lives. The importance of Alcan eclipses the local concerns of workers, investors, and environmentalists over the conduct of the company and campaigns for our support of Alcan as a significant contributor to our standard of living and our way of life. After all, "[i]n recycling, packaging, design, automotive, aerospace, marine, housing, construction, medicine, research and corporate citizenship, Alcan is aluminum to the world.".

Discourse Analysis

In this section, we move up one level of analysis and begin to examine the "World of Alcan" campaign as a discourse. While examining the ads as texts is interesting and important, it the discursive aspect of the texts that allows us to connect the texts to the social situation in which they occur. Understanding the kinds of discursive practices that are used, and the way in which other discourses appear in this campaign, allows us, in the next section, to understand the way the campaign attempts to intervene in a social situation through the creation of particular objects and the resulting re-framing of actor's understandings.

> **Question #4 -** *What discourses does this text draw upon? What forms of intertextuality appear in the text?*

The World of Alcan campaign draws on a range of discourses and discursive practices to produce complex and subtle texts that combine to represent Alcan as a modern, highly-legitimate multinational. These texts are discursively complex in an effort to overdetermine the intended meanings and accents. By this I mean that each of the texts draws on more than one discourse to reinforce that same point and to ensure that each text appeals to more than one stakeholder group. The staff at J. Walter Thompson have been very successful in creating a set of images (less than 20 out of nearly 100,000 pictures taken where used) and written texts that weave a complex corporate image distancing Alcan from many of its problems while appealing to a diverse stakeholder community.

These texts are first and foremost advertisements, and are therefore shaped most strongly by the discursive practices of advertising (Cook, 1992; Goldman, 1992). Advertising constitutes a genre in the sense that it is "a relatively stable set of conventions that is associated with, and partly enacts, a socially ratified type of activity" (Fairclough, 1992: 126). So what are the characteristics of this genre? First, advertisements are a collective product of an advertiser, an advertising firm, and some mass media system. Each participant plays a role in the production of the text. The advertiser brings to the process some sort of problem (wants to increase sales or improve their image), an understanding of their situation, and some resources to be applied to the problem. The advertising firm brings a tremendous array of experience and talent to repackaging the problem and producing texts that, hopefully, have the desired effect on important stakeholders. The mass media provides an audience for the text. The nature of the media chosen has important ramification for the nature and content of the text.

Looking at Alcan's image advertising campaign, Alcan has certain image problems brought on by social and economic changes. They have identified this as an important managerial concern and have allocated several million dollars to its solution. In an effort to improve their situation, they approached a large and successful advertising firm, J. Walter Thompson. The staff at J. Walter Thompson applied their experience and talent to the problem and converted Alcan's image problem into an image advertising program. They focused, quite correctly, on reframing stakeholder understandings of Alcan's contributions to society. Instead of yet again re-iterating Alcan's dwindling economic contribution, they focused on Alcan's international activities at a time when international activities of any kind are highly-valued. They framed Alcan's international activities by emphasizing Alcan's (rather tenuous) links to highly prestigious institutions and by using powerful images gathered over a six-month, intensive photographic world tour. Interestingly, not one of the pictures is a picture of any Alcan product or facility. Instead, the pictures are almost non-sequiturs that leave the interpreter struggling to make a connection and act, in this way, to draw the interpreters attention. This representational strategy has become common in product advertising and the resulting ads are referred to as "this-is-not-an-ad" ads (Goldman, 1992).

J. Walter Thompson chose to present these texts in the form of magazine ads. This choice kept the cost down (compared to television), allowed the presentation of pictures (as opposed to radio), and allowed colour pictures to be used (as opposed to newspapers). The use of large-circulation magazines predetermined the audience and limited the ads to one or two pages of images and texts. Magazine advertising commonly follows a "mortise-and-frame" approach to meaning creation (Goldman, 1992). A framing image is used to direct meaning to a product or name that is pictured or referred to in the ad. Powerful images and symbols that draw on significant, culturally current images are associated through interpretive practice to produce a meaningful commodity-sign. In this case, a commodity-sign linking the corporate name "Alcan" to a range of powerful images is produced in a sequence of ads. Goldman argues that this process is an integral part of the process of producing commodities. In other words, the production of Alcan as an institution is an integral part of the production of aluminium. While this is perhaps more obviously the case with a product like perfume where 80% of the cost of the product is promotion, it still holds true for aluminum when one considers the importance of managing of a supportive institutional environment to the ongoing production of cheap aluminum.

Each ad in this campaign follows a very strict form that is common across a wide range of magazine advertising. In each case, the upper portion of the advertisement is taken up by a very professional colour photograph. This is followed by a headline that, along with the photograph, echoes the news presentation style that fills the rest of the magazine. The ad is obviously to be taken seriously. Following this, in each case, are several columns of text describing Alcan and explaining how the rather interesting photographs are to be interpreted. The tone of the written text is familiar and crisp. It is intended to inform but not to distract; the text is filled with information about Alcan and its accomplishments without any mention of the problems faced by Alcan. Instead, it is information that we are provided with as if it were simply interesting news about the company, not an argument against particular criticisms raised against Alcan.

One final point on the discursive practices underlying the ads is worth noting: the name of the advertising agency appear at the bottom-left of each ad. Looking at the ads, it is as if Alcan has recognized that Raymond Williams was right, that indeed advertising is the art of the capitalist world. From a discursive point of view, each ad is like an original painting signed by the author. The signature signifies the originality and artistic merit of J. Walter Thompson's product. In fact, Alcan invited J. Walter Thompson to sign the ads as a way of showing how pleased Alcan was with the ads. This is particularly interesting as the presence of the name of the advertising agency is very rare in Canadian advertising, although it is a common practice in Europe.

Question #5 - *What subject positions are available in the discourses used in the production of the text?*

The texts that make up this campaign are advertisements. They are intended to persuade and are carefully constructed to "hail" the interpreter in way that frames and draws them in. Not surprisingly, the subject positions available in these ads are flattering to the interpreter and invite the interpreter to assume the position of the knowledgable "person of the world" who shares an interest in art, architecture, adventure travel, jazz, and fine automobiles.

At the same time, the interpreter shares a concern for the environment and the impact of human activity on the ecosystem: "Alcan is a Canadian company. And we share the growing concerns of all Canadians with our environment" (Canadian Resources). The environmental discourse is presented as really only having one position: the rational and caring Canadian who feels a growing concern with the environment. Interestingly, it is a concern that leads to aluminum containers and blue box programs, not to a reduction in waste: '"Waste not, want not" is rapidly becoming, "don't use it if you can't re-use it"' (Canadian Resources).

But the interpreter is also hailed by a discourse of practical concern. The interpreter is a consumer of beer, margarine, and chip dip and as such will find it interesting to note that the containers that keep these common foods sanitary and convenient are produced by Alcan (American Pie). But before things become too commonplace, the same packaging is also used for "Swiss cheeses, German beers, French pates, and Dutch chocolates". In fact, the list, we are told, is practically endless. The text works very well to connect both with practical, everyday concerns of the interpreter as a consumer and with the more flattering and interesting position of worldwide gourmet.

Question #6 - *What concepts are constituted by the discourses used in the text?*

Many different concepts from many different discourses appear in the texts that make up this campaign: fashion, recycling, corporate citizenship and environmentalism are some of the more central concepts that appear. But these texts do not constitute these concepts, they are more like intertextual invocations of the products of earlier discourses. Instead, the primary concept produced by these texts is "aluminum"; not aluminum the light and shiny metal but aluminum the high-tech, fashionable, exciting, cultured product of Alcan Aluminum Ltd.

In an effort to produce a more positive corporate image Alcan begins by reworking the interpreter's understanding of aluminum as a product. No longer is it a commodity product produced by a commodity producer. Instead, we discover that "Many avant garde couturiers have created entire collections using aluminum" (Paris Fashion) and that "[a]luminum is being used increasingly in the manufacture of camera bodies, lenses, meters, and tripods" (African Safari). But we are also told that aluminum is more than a special kind of metal (no one ever made a dress out of steel) but that "[n]ot only is aluminum recyclable, it's the only material that recycles to its original quality" (Canadian Resources) and that "[i]ncreasing proportions of aluminum in vehicles will certainly usher in an era of lowered fuel consumption and emissions not far down the road" (German Engineering).

The concept of aluminum arises at the confluence of a range of concepts drawn from other discourses. Aluminum becomes a carefully wrought symbolic construct bursting with a huge range of meanings - an overabundance of meanings - that makes it difficult to evaluate and to pin down. If Alcan's ads are successful in redefining aluminum (and similar ads improved Alcan's favourability rating by 15% with the target stakeholders), it becomes a node of cultural meaning that acts as an anchor for Alcan's image: aluminum becomes bound up with a huge range of highly valued cultural artifacts and, as we all know, Alcan is aluminum.

Question #7 - *What kind of accent is associated with the concepts that* *appear in the text?*

The type of texts that I have chosen to examine predetermines the primary accent associated with these texts. Corporate image advertising, unlike political advertising for example, is almost uniformly upbeat and positive. The relationships and links that are presented are meant to create a corporate image that is positive and worthy of support. By definition, a legitimate corporation is one that is deemed worthy of support by important stakeholders. Therefore, it is not surprising that, even in these complex and textured advertisements, the overwhelming evaluation is positive and supportive. We are told, for example, that aluminum is "durable", "malleable", and "versatile" and for this reason it is being used increasingly in the renovation of Italian buildings. But it is not just the aluminum that is positively evaluated. The renovations themselves are carried out by "skilled craftsmen" who "painstakingly restore Italy's architectural heritage to its former glory". The image above it, meanwhile, is of an artist painting a Cathedral in Florence. The whole text is an interwoven fabric of artistic allusions that draw on the artistic and cultural depth of Italy and the Italian Renaissance in order to transfer that positive accent to Alcan.

Analyzing Social Relations

In this section, I will discuss the social system in which the texts are embedded. Understanding the social and political role of the text is the motivation behind my interest in critical discourse analysis. Armed with an understanding of the text and the discursive structures and practices that made the text meaningful I can now approach the social and political system surrounding the text in an effort to understand the strategic intent behind the texts and the potential role they may play in maintaining or creating new patterns of social relations. Said another way, I can now try to disentangle the ideological effect of the advertising campaign and its role in maintaining the hegemony upon which Alcan management depends.

Question #8 - *What objects are constituted in the text?*

Objects are constituted by discourse when a concept is connected to a set of material practices and social relations. In this case, the object which the discursive activity seeks to constitute is Alcan itself. The complex redefinition of aluminum as a cultural artifact is used to reshape Alcan *as the producer of this complex and critically important material*. The management of Alcan, as Bahktin suggests, present a particular model of reality in their image advertising campaign. Not, of course, a model of reality in total, but of that part of it which we refer to when we speak of Alcan. In these ads, Alcan management is arguing for a particular view of Alcan as a social space. They are not, of course, arguing rhetorically but discursively. They present a broad sequence of images and textual material that weaves a complex conceptualization of aluminum and then of Alcan as its source. Important problems are reframed and coopted - or as the situationists would say, recuperated (Plant, 1992: 75) - into a new understanding of reality that renders them nonproblematic and, as in the case of environmentalism, actually supportive of Alcan and its business practices.

Question #9 - *How are the social structures organized that make up the context of the text?*

As Alcan entered the 1990's it faced several critical issues. First, and foremost, Alcan faced a world overflowing with cheap aluminum. The political and economic collapse of the Soviet Union had resulted in a large surplus of aluminum in the Commonwealth of Independent States and this aluminum had quickly found its way onto the world market. By 1990, the world smelting capacity for aluminum was about one million tonnes larger than demand. As a result, Alcan was being forced to reduce its smelting capacity and its workforce. In 1991, for example, Alcan reduced its capacity by 143,000 tonnes (about 8.5%) and its workforce by 4,200 in an attempt to reduce its cost of production (Globe and Mail, 1992). Despite these measures, Alcan continued to lose money in the early 1990's and several important stakeholder groups (employees, shareholders) were becoming increasingly disillusioned with Alcan's performance.

But this was not the only problem facing Alcan. The second phase of the Kemano project had turned out to be a nightmare as Native and Environmental groups had repeatedly tied the project up in court and as government support for the project had evaporated, particularly at the federal level. The result was a significant legal, financial, and public relations problem. The company had already spent about $500 million on the project - an hydroelectric project to supply more low-cost electricity to their Kitimat Smelter - and the outcome of the ongoing legal battles remained to be seen..

Alcan also faced a steadily deteriorating environmental image. Headlines like "Pollution Finger Pointed at Alcan" (*Calgary Herald*, 1992) pointed to the repeated problems of the industrial giant. The manufacture of aluminum requires a range of environmentally problematic activities: open-pit mining, hydro-power development, and hugely polluting smelting operations. Given the new-found societal emphasis on environmental issues, and the loss of the historical arguments around economic contribution, Alcan faced a serious legitimacy problem.

There were, of course, other issues that faced Alcan management at this time. Labour relations, taxation, and a series of new joint ventures were all issues that concerned certain stakeholders. But the three big issues facing Alcan were clearly the continuing economic problems, the dramatic and highly political Kemano Completion Project, and the worsening environmental image of the company. The campaign is clearly an attempt to deal with some of these issues by restructuring the image of company away from its "industrial giant" image and towards a more robust image based on a complex web of images and keywords.

Question #10 - *What are the ideological and political effects of the text?*

The new object that Alcan's management seeks to discursively constitute is, perhaps, best thought of as an attempt to recuperate dissent and resistance. The hegemonic structure that supports Alcan management depends on keeping dissent and resistance to manageable levels and the discursive activity in these ads can be understood, from this perspective, as attempts at recuperation and the reduction of the points, or issues, around which dissent is organized.

The discursive strategy adopted in these ads is very similar to the newer product ads that work to sell products based on complex meanings rather than on the characteristics of the product. Beer commercials and perfume commercials are other examples of this kind of advertising. In advertising beer, breweries face the problem of advertising a taste, and more importantly, advertising a product which is almost indistinguishable from its competitors. The result is an attempt to associate a beer with a lifestyle. When the ads work, the consumer drinks a particular beer because he or she identifies with the themes and symbols in the ads. Similarly, how can an advertiser advertise a perfume? Clearly, one can not easily transmit a smell (especially through a television or radio commercial) and yet producers do not want to compete on price. So, how do they proceed? Well, clearly they compete on image. They work to create an aura of a particular kind around a perfume. If the advertiser is willing to spend the money, he or she can even include samples in magazines so that others can identify the smell of a perfume and have the appropriate images come to mind. Perfume, and beer, become statements about the people who use them.

Not that I am arguing that aluminum says something about who uses it. Instead, aluminum is meant to say something about who produces it. The World of Alcan really is an argument for a particular world. A world where the maker of the raw material from which a beer can is made can draw on some of the symbolic capital associated with the beer. Where the fact that a Scuba tank is made out of aluminum allows the maker of the aluminum to draw on the symbolic capital associated with the Great Barrier Reef. The end result is an attempt to manage the relations between the Alcan and its stakeholders through a renegotiation of the company and its purpose.

Image Advertising as Institutional Production

In examining image advertising, I am assuming that the representations of the corporation produced in the ads are purposeful and strategic. Large image advertising campaigns are very expensive and can easily cost millions of dollars. The individuals who produce the ads are skilled professionals who work closely with the executives of the corporation to produce a campaign that meets certain corporate objectives (Nelson, 1989; Olins, 1989). It is therefore reasonable to assume that these large image advertising campaigns are purposeful constructions created to deal with specific problems faced by the company. They are constructed to fit with the corporation's strategy and may be thought of as one tactic adopted by the company in its efforts to solve its strategic problems. They are attempts by the management to institutionalize understandings of the company that support management objectives and maintain hegemony. The discursive practices used by the company in the construction of the advertisements can therefore be thought of as tactics of representation; the choice of how to construct the advertisements is an important strategic choice.

In this case, Alcan's management worked, along with J. Walter Thompson, to produce an image for Alcan that helped them retain their hegemonic control of the corporation. Particular issues - poor economic performance, environmental problems, difficulties completing Kemano - have all eroded the position of Alcan's management and reduced their ability to act and the general support for their ongoing activities. The texts are ideological acts intended to slow or even reverse this trend by reframing Alcan and the issues that surround it. Quite clearly, Alcan management could not argue that they were making money when they were not. But they could reconstruct the corporate image - the way Alcan was institutionalized - to reduce the effect of these issues. Their previous image management activities had emphasized the economic contribution of Alcan as a way of justifying the other difficulties. Now this was no longer possible and, in fact, their previous activities had led to very high expectations for growth and profits. Their response this time was very different and potentially more sustainable: re-orient their image around the final product produced and attempt to capture a measure of the legitimacy of these products. Face the environmental issue by focusing on the recyclability of aluminum, not the environmental problems associated with its production. In other words, refocus calls to use less aluminum to calls to recycle more.

This is a simple and clear example of discursive institutional entrepreneurship. Alcan management is not simply changing organizational practices to match societal expectations, but rather acting to change the expectations of important stakeholders in a way that may allow them to avoid other, less pleasant, actions: they are actively managing their institutional environment in a way that will support their position; they are acting discursively against environmental groups, labour organizations, and other interest groups who are calling for change. In short, they are using the resources available to them to discursively manage their hegemonic position.

Conclusions and Implications

In this article, I have presented an alternative approach to understanding and analyzing institutional phenomena. In this section, I would like to briefly discuss the theoretical and practical implications of this approach and to discuss some possible future directions for work in this area.

A Discursive Approach to Institutional Theory

Institutional theory has been limited by a failure to situate institutional phenomena in language and in processes of social struggle and change. In developing the theoretical perspective presented here, I have worked to include a set of theoretical ideas sensitive to language and power in a broad institutional framework. I have sought, at the same time, to show that the two broad currents evident in the institutional theory literature can be encompassed by a single theory when power and language are more clearly dealt with.

On the one hand, traditional institutional theorists understood the role power and politics play in organizations. Selznick (1949) described the political struggle of the TVA with great insight and understanding. He missed, however, aspects of the broader implications of what he saw and the relationship between the organizational politics he witnessed and the broader streams of discourse in which the organizations he examined were embedded. While he refers to ideology and its importance, he failed to make the link to broader institutional currents.

At the same time, later neo-institutional theory (Powell & DiMaggio, 1991; Zucker, 1988) makes the reverse mistake. The emphasis on institutional constructs and legitimacy at a system level causes individual actors and their political activity to disappear. Instead, we are left with social processes Foucaldian in their power, selecting organizations for survival based on their legitimacy in a way reminiscent of population ecology (Hanaan & Freeman, 1977). Power is central in this analysis, but is seldom directly mentioned and never directly wielded. Even worse, organizations act to gain legitimacy, but they are unable to affect the broader frameworks defining what is legitimate. They are simple reactors, chasing after standards socially defined by someone else.

The perspective I have presented here attempts to take what is most useful and interesting from both theoretical camps and bring them together using ideas from discourse analysis and poststructural theory. Both camps focus on a different product of discourse - an object or a concept - and both explore the aspects of the social world related to their particular discursive product. A wider perspective says that both institutions and institutional constructs are products of a discourse and are the result of a struggle to determine whose meanings will become the accepted meanings. Institutions and power relations shape discourses and are, in return, shaped or maintained themselves. The view I am arguing for is therefore dialectical, historical, and critical.

Discourse Analysis as a Method

In the previous sections of this paper, I explained how an increasing concern with language has led to a discourse analytic approach to the study of social phenomena. This discourse analytic approach is one that I find very useful in the study of organizational phenomena and, in particular, in the study of institutionalization. I do not, however, mean that this approach is the only valid approach to the study of institutionalization, or to the study of social phenomena more generally. I mean it simply as one useful approach with certain advantages that make it a worthwhile addition to the methodologies of management research. But what are these advantages?

First, a discourse analytic approach to institutionalization emphasizes the *process* of institutionalization. In this way, it functions as a useful complement to the many studies that examine the outcome of institutional processes by observing the appearance of new institutional forms without any explanation of how those forms are produced and disseminated. Discourse analysis provides the tools to investigate this process and to re-integrate interested actors into the institutional literature.

Second, discourse analysis is very sensitive to the *historical context* of institutionalization. Institutional constructs and objects are the result of a historical process; they exist on a substrate of texts that have been produced by a range of actors over time and that are available for inclusion into new texts. Interdiscursivity depends on the availability of older texts that can be included and that bring with them the discourses that have built up over time. All studies of this kind are highly sensitive to the historical background behind the current institutional phenomenon under study.

Third, a discourse analytic approach to institutionalization highlights the role of *power* in institutional processes. What I find missing in many discussions of institutional theory is a critical moment sensitive to the role of power in the development of the categories and concepts through which people enact and interpret reality. It is the active role of the objects and concepts produced in discourse that makes the political nature of discursive production so important. In defining the social world, discourse frames and limits the activities of individuals. Therefore, we should not overlook the active intervention of individuals and groups in an effort to manipulate the direction and nature of particular discourses. The discursive arena becomes one more arena within which social conflict is played out. Any equilibrium, any hegemony, is temporary and may be upset at any time by new actors constructing new texts that take the process of institutionalization off in new directions.

Where to From Here?

The corporation, like all institutional phenomenon, is a discursive product. The frameworks within which market activity takes place are equally discursive. A discourse analytic approach to institutional theory provides a way to understand and investigate the way the corporation, and the structures in which it is embedded, are created and maintained, and how they come to be replaced by alternative structures. This approach therefore provides the tools to examine the connection between business and society and a range of issues that arise at this juncture. I will discuss three of these issues as they seem of particular importance to me. There are, of course, many other issues that this approach is useful in investigating.

First, the relation of business organizations and the general public has become more and more conflictual as the legitimacy of the corporation has become less taken-for-granted (Smith, 1990). The increasing importance of interest groups of various kinds has created an increasing need for corporations to manage their social environment to ensure that their activities are understood in the best possible light. Legitimacy management activities are one kind of discursive activity carried out by corporations. The discourse analytic view of institutional theory developed above provides the tools to examine the process of legitimacy management within the social framework of the corporation. The activities of social interest groups are primarily symbolic. They work to change the way the activities of the corporation are carried out by producing texts that produce new institutional constructs ("sexual harassment") or that change the accent on existing constructs ("equal opportunity"). Managers fight back by producing texts on behalf of the corporation that work to limit this reframing. The result is a complex process of institutional production carried out by corporate stakeholders in an ongoing struggle over the nature of the corporation and its activities.

Second, the role of corporations in the ongoing development of the media should become a central concern of management studies. Following Sethi's (1977, 1978) studies of advocacy advertising, the role of corporations in the development of the texts that are distributed through the mass media is an important issue for management studies. How well do these sorts of activities work? Do image and advocacy advertising actually produce any return for the company? At the same time, how should these activities be understood from a broader perspective? Is it an appropriate activity for managers to be carrying out with shareholder money? This question becomes more complex when we recognize that the media themselves are corporations. These corporations are very large and powerful, yet little has been done investigating their activities and the societal role they play from a management perspective. Presumably, these corporations differ in important ways from the steel mills and biotech firms traditionally studies by management researchers. How do television networks, record companies, and movie companies do what they do? How do they deal with uncertainty of the creative process that lies behind their product?

How do they fit into the broader social framework upon which they depend?

Third, the corporate form and the discourse of the market are increasingly used in a wide variety of activities that have been traditionally carried out under very different logics (Deetz, 1992). Sports, for example, have become a huge growth industry focused less and less on "sports as sports" and more and more on "sports as a business". Leigh Steinberg, an agent for some of the highest paid athletes in the United States, refers to the athletes he represents as "specialists in the entertainment business" (Guterson, 1994: 45). They are no longer athletes, but business people.

This process continues in many different areas and produces a range of new "businesses" that are very important both economically and socially. How new areas of activity are "colonized" (Deetz, 1992) and the effect of this process on business and on society are important questions that require non-traditional approaches. The process is highly symbolic and a perspective is required that will allow the underlying social processes to be uncovered and analyzed. I think the approach I have outlined in this paper provides the beginnings of a way to approach these sorts of questions.

Overall, I believe that discourse analysis provides a useful perspective on a broad range of institutional phenomena. It provides the necessary foundation to combine the two broad approaches evident in the institutional theory literature, and to connect the resulting perspective to a set of methods for approaching empirical cases of institutionalization. Discourse analysis functions as a methodology, providing the theoretical logic to connect empirical methods with abstract theoretical positions (Jensen & Jankowski, 1991: 5).

In making this connection, discourse analysis reconnects neo-institutional theory with the actions of interested actors. The tendency to see "organizations" as reified actors responding to institutional pressures is avoided and replaced with a sensitivity to ambiguity and conflict within a dialectical frame. At the same time, the tendency within more traditional institutional theory to focus on the micro actor without the benefit of a broader understanding of institutional processes is also avoided. The role of inter- and intra-organizational discourse in shaping the reality experienced by organizational actors is also highlighted.

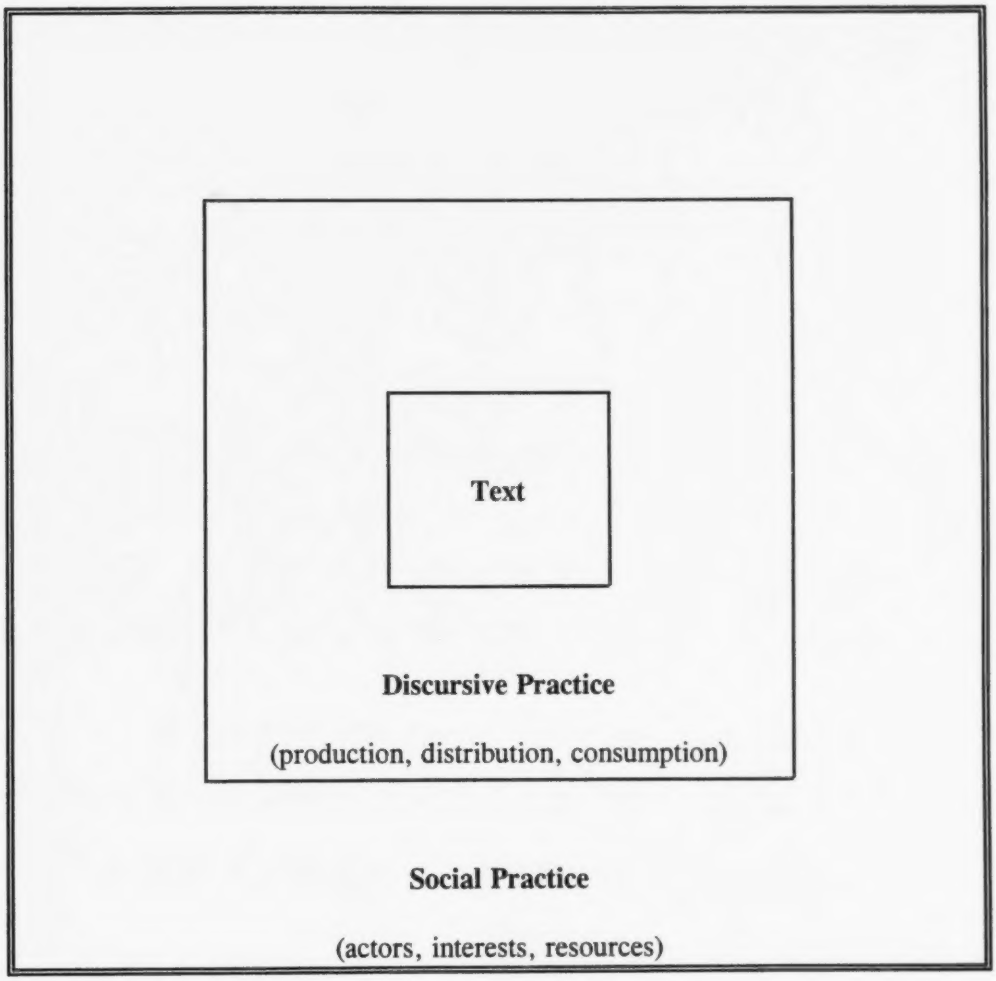
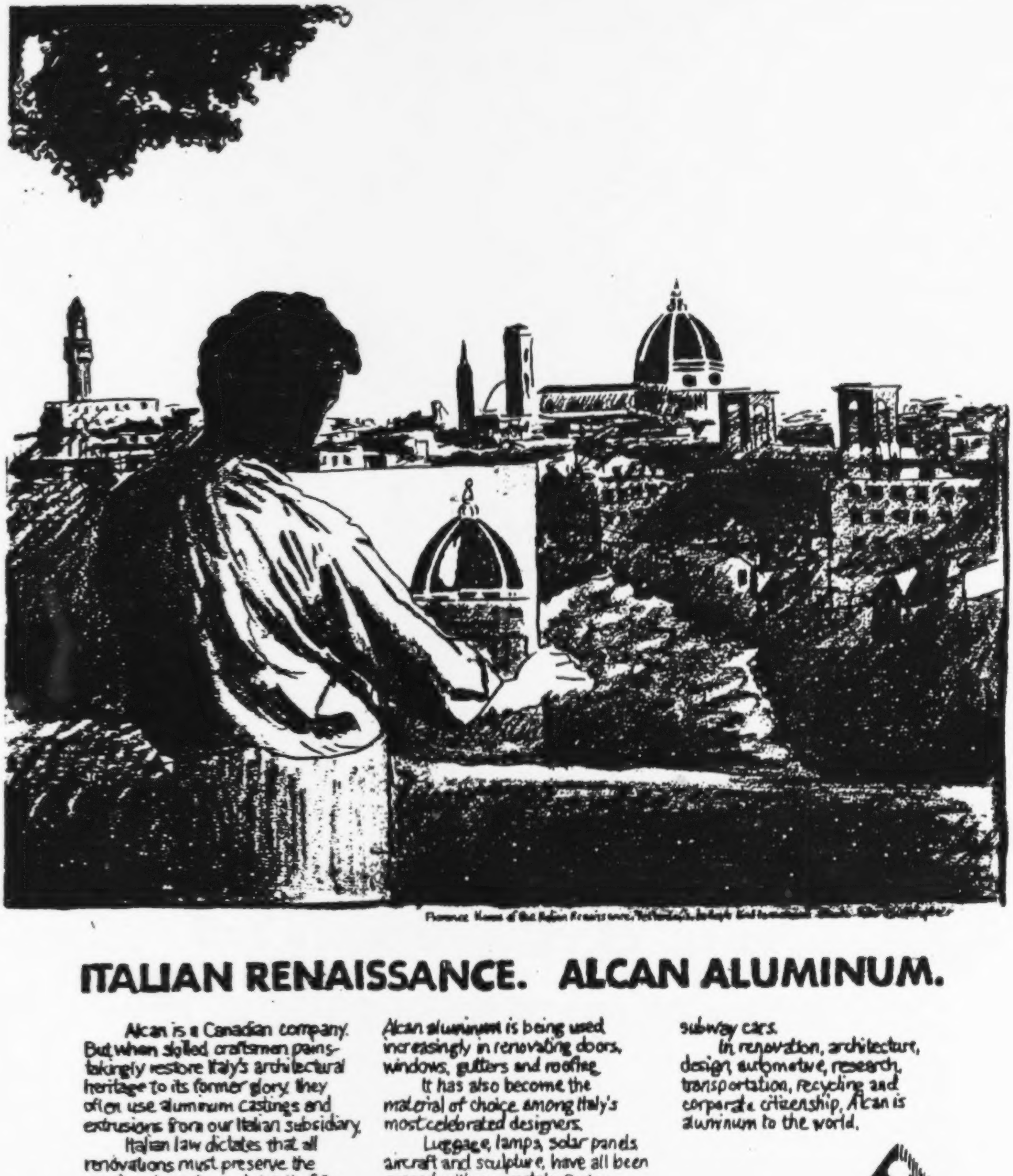

Text
Discursive Practice
(production, distribution, consumption)
Social Practice
(actors, interests, resources)

Figure III-1: Three Dimensional Conception of Discourse

Adapted from Fairclough, 1992: 73



Florence. Home of the Italian Renaissance. [illegible]

ITALIAN RENAISSANCE. ALCAN ALUMINUM.

Alcan is a Canadian company. But when skilled craftsmen painstakingly restore Italy's architectural heritage to its former glory, they often use aluminum castings and extrusions from our Italian subsidiary.

Italian law dictates that all renovations must preserve the precise character and detail of the original structure; be it a landmark, a church, a shop, or the humblest domicile. Durable, malleable, versatile Alcan aluminum is being used increasingly in renovating doors, windows, gutters and roofing.

It has also become the material of choice among Italy's most celebrated designers.

Luggage, lamps, solar panels aircraft and sculpture, have all been graced with our metals. So too, those quintessential Italian stallions, Ferrari and Lamborghini. Indeed, our aluminum even lines Milan's subway cars.

In renovation, architecture, design, automotive, research, transportation, recycling and corporate citizenship, Alcan is aluminum to the world.

ALCAN

ALCAN IS ALUMINUM

Figure III-2: The Italian Renaissance Ad

Large Caption	Photograph Credit
"Italian Renaissance. Alcan Aluminium"	"Florence. Home of the Italian Renaissance. Yesterday's, today's, and tomorrow's."
"British Pub. Alcan Aluminium"	"The Woolpack Inn, 15th century pub in Brookland, Kent."
"American Pie. Alcan Aluminium"	"Vivian Merrill's famous Northern Spy apple pie."
"Paris Fashion. Alcan Aluminium."	"Model, Maureen Monteith. Aluminum gown by Pelchat. Gilet Cuisine Building by Technal."
"African Safari. Alcan Aluminium." (I)	"Photographers catch impala in flight: Masai Mara Game Reserve."
"African Safari. Alcan Aluminium." (II)	"Leopard *(Felis pardus)* resting in the Masai Mara Game Reserve, Kenya."
"Down Under. Alcan Aluminium."	"A friendly Potato Cod dwarfs a scuba diver off Australia's Great Barrier Reef."
"German Engineering. Alcan Aluminium."	"The top-of-the-marque Mercedes-Benz 560 SEC."
"French Horn. Alcan Aluminium."	"Janie 4, and Antoine 5 1/2, with rotary 4-valve double French horn."
"Jamaican Hope. Alcan Aluminium."	"Tracy-ann, aged 9, tending a herd of Jamaica Hope cattle on a restored mining site."
"Canadian Resources. Alcan Aluminium."	"Sean, 11, and Andrew, 10, with recyclables ready for collection."
"Rising Stars. Alcan Aluminium."	"Naushad, age 8, in a performance of the classical Japanese Myth, RAINTARO, Vancouver, B.C."

Table III-1: World of Alcan Campaign

APPENDIX 1 - The Texts for the World of Alcan Advertisements

I. **British Pub** (Time, Aug 7, 1989: 34-35)

Alcan is a Canadian company. But crack open a Bud in Britain, one of Canada's finest in France, or just about any canned beer just about anywhere on the planet, and chances are it's aluminum wrapped around that golden liquid.

Alcan's worldwide operations supply sheet aluminum for recyclable cans in more countries than any other company. In this country, when the can is empty, there's still value in it. In most provinces you get a refund, and the aluminum can be recycled with 5% of the original energy.

You benefit, we benefit, and so does the environment.

In packaging, recycling, aerospace, automotive, marine, housing, construction, medicine, design, research and corporate citizenship, Alcan in aluminum to the world.

II. **American Pie** (Time, Oct. 23, 1989: 24-25)

Alcan in a Canadian company, yet much of what Americans hold dear, they hold in our aluminum containers. Apple pies, their favourite beer, their chosen soft-drink, their baked potatoes, dips for their chips, margarine for their daily bread and countless other "givens" in their everyday lives.

The same is true for most countries in the world. Alcan provides sheet and foil for packaging of Swiss cheeses, German beers, French pates, Dutch chocolates, - the list is practically endless. These containers are light, strong, sterile, often reusable, and ultimately recyclable.

In packaging, design, automotive, marine, aerospace, housing, construction, medicine, research and corporate citizenship, Alcan is aluminum to the world.

III. **Paris Fashion** (March 26, 1990: 12-13)

Alcan is a Canadian company. Yet in Paris and all over France, it's become very chic to fashion the latest creations out of our aluminum; be they in haute couture, architecture, or any other design discipline.

Many avant garde couturiers have created entire collections using aluminum, whilst others, perhaps less outre, have engaged Technal, our architectural subsidiary, to design and build their storefronts.

French flair for aluminum extends to motorcycles, telephones, cars, sculpture, furniture, and more. Alcan aluminum is used in the manufacture of Airbus Industrie's state-of-the-art passenger jets, as well [sic] the supersonic Concorde.

Alcan aluminum also helps the 268 kmh TGV train one of the fastest, lightest, most fuel-efficient ad environmentally-friendly modes of transport on our planet, Earth.

In design, architecture, aerospace, transportation, packaging, recycling and corporate citizenship, Alcan is aluminum to the world.

IV. **African Safari I and II** (Time, May 21, 1990: 1; Time, April 23, 1990: 1)

Alcan is a Canadian company. Yet when photographers go to Africa to shoot big game, most use Nikon, Canon, Minolta and Konica cameras made with precision tooled aluminum from our Japanese partners.

Aluminum is being used increasingly in the precise engineering and manufacture of camera bodies, lenses, meters and tripods. Indeed, it is replacing heavier metals in practically every component of advanced professional photographic equipment.

Alcan aluminum has been at home in the wilds of Africa and around the world for decades in many types of 4WD vehicles as well, including the venerable Land Rover and its swank sister, the Range Rover. In fact, aluminum gear has become the new norm on all kinds of expeditions, from mountaineering, to undersea, to NASA space exploration.

In photography, exploration, automotive, aerospace, marine, research, recycling and corporate citizenship, Alcan is aluminum to the world.

V. **Down Under** (Time, September 10, 1990: 6-7)

Alcan is a Canadian company. But when scuba divers explore the Great Barrier Reef or any other undersea trove, they often depend on tanks made from our aluminum.

Alcan supplies the aluminum and essential technology to makers of scuba tanks, worldwide. Lighter and less prone to corrosion than steel, aluminum cylinders are the new standard in underwater exploration.

Above the surface, Alcan aluminum is also used extensively in Australian-made components for luxury cruisers, racing yachts including "Australia II", as well as the picturesque ferry boats that ply Sydney Harbour.

Our affinity to the sea extends beyond advancing technologies to facilitate aquatic exploration, navigation and recreation. Our Australian subsidiary actively supports the Lizard Island Research Station; a conservationist group striving to preserve the Great Barrier Reef.

In recreation, marine, research, design, manufacturing, recycling and corporate citizenship, Alcan is aluminum to the world.

VI. **German Engineering** (Time, March 27, 1989: 10-11)

Alcan, a Canadian company, did more than supply aluminum alloys for the engine block, pistons and cylinder heads of this Mercedes-Benz 560 SEC.

Our German subsidiary helped design the legendary V-8 that powers it silkily from idle through autobahn speeds faster than you might ever care to go. We also play out part in the products of other major German auto manufacturers.

We supply metal to some of America's major car makers too. And materials and technology for the new super-efficient aluminum prototypes under development by Italy's Ferrari and Britain's Jaguar. Increasing proportions of aluminum in vehicles will certainly usher in an era of lowered fuel consumption and emissions not far down the road.

In automotive, aerospace, marine, packaging, housing, construction, medicine, research, design and corporate citizenship, Alcan is aluminum to the world.

VII. **French Horn** (Time, July 10, 1989: 10-11)

Alcan is a Canadian company, in fact the largest aluminum producer in the world. But that doesn't mean we're strictly business. We are also involved as a corporate sponsor with hundreds of worthy causes, many of them in the arts.

From the children's Arts Umbrella in Vancouver, all the way to the mammoth Montreal International Jazz Festival, Alcan sponsors more than 100 organizations and events in dance, opera, theatre, film and music.

Some of our sponsorships have brought top international performers to Canada. Others have helped introduce Canada's best talent to the world. And some are just there to encourage our youngest and neediest aspirants in taking that first tentative step on the stage.

In the arts, automotive, aerospace, marine, packaging, housing, construction, medicine, research, design and corporate citizenship. Alcan is the world.

VIII. **Jamaican Hope** (Time, March 5, 1990: 6-7)

Alcan is a Canadian company. Yet much of our raw materials comes from Jamaica, where we are one of the nations largest employers.

Working with Jamaica's government, we return mined lands to their original state, like the farmland shown above. We've also introduced agricultural technologies and helped train Jamaican agronomists. One happy result is the Jamaica Hope cow. Bred for tropical island conditions, its extraordinary milk production will reduce Jamaica's dependency on dairy imports.

On the heels of hurricane Gilbert, Alcan was among the first to airlift another kind of hope: food, medicine, and emergency supplies. We also donated the aluminum for desperately-needed building materials. And Alcan employees worldwide created their own relief fund to further lend a hand to a country so important to our success.

In restoration, agriculture, research, housing, medicine, recycling and corporate citizenship, Alcan is aluminum to the world.

IX. **Canadian Resources** (Time, April 22, 1991: 35)

Alcan is a Canadian aluminum company. And we share the growing concerns of all Canadians with our environment. Thus we became a founder of the important Blue Box neighborhood recycling program now operating in Ontario and other parts of Canada.

The eyes of the world are on this project, a unique collaboration of soft-drink companies, packaging suppliers and government dealing with a variety of solid wastes. Already we have seen a remarkable return rate in aluminum cans in Blue Box neighborhoods. And that's our goal for all of Canada.

Today we're recycling billions of cans continent wide using only 10% of the energy new aluminum takes. And soon we'll be doubling our capacity. "Waste not, want not" is rapidly becoming, "Don't use it if you can't re-use it".

Not only is aluminum recyclable, it's the only material that recycles to its original quality. So today's cans will reappear as tomorrow's cans - not a feature of the landscape.

In recycling, packaging, design, automotive, aerospace, marine, housing, construction, medicine, research and corporate citizenship, Alcan is Aluminum to the world.

X. **Rising Stars** (Time, March 25, 1991: 65)

Teaching children to live and work together in harmony, regardless of race, creed, or colour, is the whole idea behind Stage Coach. One of the many cultural programs we are proud to sponsor across Canada.

Established in 1990, by Arts Umbrella and Alcan, Stage Coach brings theatre instructors, musicians, props and inspiration to Vancouver's inner-city schools. Each session begins with the telling of a multicultural myth, which the students then interpret by staging improvisational skits, performing theatrical exercises, or simply playing games.

Alcan provides the necessary funding that enabled Stage Coach to reach 7,000 students last year. And bring us all that much closer together.

We are Alcan. A Canadian company and aluminum to the world.

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Chapter 5

General Discussion and Conclusions

In his paper "Economic Action and Social Structure: The Problem of Embeddedness", Granovetter (1985) argues convincingly for the socially embedded nature of market activity. He argues that to construe market activity as somehow outside the bounds of social constraint is as egregious an error as it is to argue that market activity is simply another form of social activity. Instead, "attempts at purposive action are ... embedded in concrete, ongoing systems of social relations" (1985: 487). In this thesis, I have discussed one aspect of the concrete, ongoing system of social relations in which corporations are embedded: the continuous process of stakeholder negotiation that produces and sustains corporate legitimacy. I have also developed an interpretive theory of legitimacy that reflects the growing importance of stakeholder efforts to shape accounts of corporate activity and, hence, to manage legitimacy.

The idea of legitimacy provides a useful theoretical approach to the study of the social embeddedness of corporations. It focuses our attention on corporations as social accomplishments that depend on a range of social practices and that, in turn, play an important role in the functioning of society generally. The homes that shelter us, the food that sustains us, the movies that entertain us, the television news that informs us, and the books that educate us are all products of corporations. At the same time, the skills and expectations that corporate stakeholders bring with them to the corporate world are produced in the home, in schools, in games and sports, and in religious institutions. Studying corporations in a way that ignores this relationship and its effects is therefore certain to be limited in scope and effectiveness.

At the same time, the corporation as a form of social organization is historically embedded. It appeared at a particular point in history as a solution to a set of problems that arose around proprietorships and partnerships (Blackford & Kerr, 1993). Since its appearance, it has continually evolved and the concept of legitimacy highlights the importance of retaining a sensitivity to the historically contingent nature of the corporation as a form of social organization. The concept of legitimacy reminds us that the study of business must be culturally and historically informed and that the applicability of empirical findings is always culturally and historically limited.

In each of the papers that make up this thesis, I approached the topic of legitimacy from a somewhat different direction. But at the same time, each paper was an attempt to draw out some aspect of the management of legitimacy, particularly as it occurs within the business/media/society relationship. Corporations are, from my perspective, an intersection of interests. The corporation is the node or point where the interests of different stakeholders (management, employees, unions, stockholders, customers, etc.) intersect and where they struggle to produce an organization and a set of practices that most closely fulfil their needs. At the same time, ideas of "proper" corporate practices and performance are to be found as "norms" circulating in society (think, for example, of the different norms for profit in different countries). These norms are available as resources to solve problems, and as political resources in the struggle to implement preferred structures and practices. While these norms are social accomplishments, they remain open to re-construction and to alternative applications; they are used to accomplish the corporation in complex and negotiated ways. Both the institutional norms and the corporations themselves are social accomplishments and the whole phenomenon of legitimacy therefore lies at the interface between business (the ongoing accomplishment of organizations) and society (the accomplishment of institutional norms). One important site of this kind of struggle is the social space created by the media. It is in this sense that this thesis has been an exploration of the business/media/society relationship.

In the last four chapters, I have developed a theory of legitimacy by approaching the problem through analysis: I have broken the problem into a set of smaller, related problems and then approached each smaller problem using a different theoretical perspective. In this chapter, I will adopt a different tack and develop a synthesis of the various discussions that make up the previous chapters. I will begin by drawing together some of the disparate themes of the previous papers in order to draw some conclusions about the management of legitimacy as a social practice, as a management issue, and as a research program. I will then revisit the four research questions presented in the introduction; I will discuss each in turn, outlining the answer developed in the body of this thesis. I will also develop some thoughts on legitimacy and legitimacy research that did not fit within the bounds of the four papers. In particular, I will discuss some of the ramifications of the increasing role of the media in corporate life and outline some of the issues that this raises for researchers in organizational analysis. Finally, I will discuss some of the future directions in which I intend to take this research.

The Idea of Legitimacy

The idea of legitimacy is an important concept in the study of organizations and, in particular, in understanding the complex interrelationships between organizations and society. Legitimacy provides a conceptual approach to the link between organizations and society in the same way that the idea of a role provides a useful way to approach the relation between individuals and society. But legitimacy can be approached from several different directions.

Legitimacy as a Social Practice

Legitimacy, first and foremost, is a form of social practice. It is one of the arenas in which we negotiate the complex web of interactions that make up our society. Legitimacy is the link between organizations in general, and the wider society of which they are a part. The process of negotiating legitimacy is shaped and directed by existing power relations, but stakeholder power is limited by the discursive structures and practices upon which the negotiations depend. At some level, power also depends upon legitimacy and one important source of power is convincing others that one's goals are legitimate.

The availability of legitimacy to political entrepreneurs depends upon their access to channels of communication and on their cultural proficiency. The entrepreneur must both be able to produce texts that convince others (texts of any kind from television advertisements to proper business attire) and to disseminate the text to the requisite audience. When both the ability to produce a text and the ability to disseminate it come together, then the entrepreneur may be able to successfully manage institutional constructs and institutions in ways which are advantageous to him or her.

At the same time, the receivers of these texts are not simple interpreters. While the receivers will have differential access to resources, they have the potential to be critical and to reject the texts presented to them. The receiver of the text is therefore an integral part of the process and is intimately bound up in the process of institutional production.

Legitimacy as a Management Issue

Legitimacy is a centrally important management issue. In fact, I would argue that maintaining a corporation's legitimacy is a primary management function. The increasingly high societal expectations for corporate behaviour, the increasing scrutiny of corporate activity by the media, and the increasingly important role of corporations in society combine to produce a situation where managers must deal effectively with legitimacy issues or face a loss of stakeholder support. And it is important to remember that customers, suppliers, and employees are all stakeholders. Maintaining the support of these groups is critical to the ongoing well-being of the organization. Without the support of these important stakeholders, management's ability to reach its goals becomes severely circumscribed.

Managers therefore find themselves in the position of needing to strategically manage sets of meanings in order to ensure the legitimacy of their vision of the corporation (Neilson & Rao, 1987). They must mobilize the resources at hand to maintain the corporation's position in a cost effective manner. How this is done, and the ethical issues surrounding this process, are questions that have been left relatively unanswered. At the same time, managers are increasingly ahead of management studies in their understanding of how this is done. In fact, it is not inaccurate to say that the management of legitimacy has become institutionalized in some industries due to the fact that they have found themselves in an ongoing, uncomfortable position. The tobacco companies for example, have been under serious attack for many years and have, as a result, developed a set of strategies and practices for dealing with this ongoing attack (Miles & Cameron, 1982).

Legitimacy as a Research Program

I am very excited by the potential of discursive legitimacy research. Legitimacy provides several advantages as a focus for study, and adds an important dimension to traditional organizational studies. First, the study of legitimacy encourages the adoption of an interpretive approach to the study of organizations at a macro level. The underlying process of legitimation so clearly rests on the production and dissemination of texts that any approach to the study of legitimation must somehow deal with this. The resulting interpretive focus provides a measure of insight into the production of the organizations that we usually simply count or measure.

Second, a study of legitimacy as framed here focuses attention on the role of power in organizations. Organizations are extremely political places, but one would never know it from much of the work in organizational analysis. Organizations do not act behind the backs of organizational members, but are enacted in an ongoing social process. *Organizational members create organizations through their interested and purposeful activity*. Studying legitimacy as an interpretive phenomenon brings the role of power and politics in organizations to the fore and helps resist the ongoing reification of the organization and the tendency to confound managers accounts ("the corporation decided") with the reality of organizational life ("after a protracted struggle between top managers").

Third, the discursive approach to legitimacy outlined in this thesis focuses attention on the importance of the relationship between corporations and the media. As corporations have grown in size and importance, so too has the role of the media in society. The process of legitimating the largest companies now involves so many stakeholders that it can only take place on the stage provided by the mass media. Almost the entirety of what is known about the very largest companies comes from newspapers, television, and books. The process at this level is much less open to domination by any one stakeholder group. Even management lacks the resources to really "manage" this process and they simply participate as one stakeholder group, producing and disseminating texts along with the financial community, pension funds, investigative reporters, and the business press. In order to understand this process we are driven to the communication literature that deals with the role of the media in late-capitalist society. Interestingly, the media not only provides the stage for the management of legitimacy but is itself made up of corporations. Therefore, legitimacy as a research program has the added advantage of leading to a focus on a relatively unconsidered set of organizations and organizational processes that are of profound importance from a societal viewpoint.

Revisiting the Research Questions

As I suggested in the introduction, there are four basic problems that have occupied me in this thesis. All four are related questions that arose as I read through the existing literature on legitimacy and institutional theory. While I have developed at least partial answers to each question, the paper format of the chapters tends to obscure the links between questions and answers. I will therefore revisit each of the questions and outline the answers that I have developed in the body of this thesis.

1. *How should legitimacy be reconceptualized in the light of recent ideas regarding discourse, power, and the relation between mass communication and patterns of social relations?*

A legitimate organization is a social accomplishment growing out of an ongoing discursive process; legitimacy is a measure of the state of the relationship among the stakeholders involved in this ongoing process. A loss of legitimacy occurs when the ambiguity of this process overwhelms the efforts of organizational supporters, allowing organizational detractors to successfully reframe the organization and its activity. A loss of legitimacy is the outcome of a conflict between stakeholders and legitimacy is, therefore, a measure of the outcome of a highly political process. From this perspective, the organization is a node where many different interests intersect and where a continuous struggle occurs over the appropriate form and direction for corporate activities. A legitimate corporation is a form of hegemony, held in place by alliances between powerful actors. But this hegemony is fragile. It depends on an equilibrium between factions whose relationships are plagued by contradiction and ambiguity.

Stakeholders participate in this discursive process by creating, disseminating, and interpreting the texts through which the corporation is negotiated. These texts do two things. First, they may be attempts to modify the institutional constructs upon which the corporation depends. These constructs are the abstract ideas that stakeholders use to approach the world and organize their activities. Stakeholders following this strategy may work to create new concepts or to change the accent of existing concepts (i.e., the idea of an endangered species). On the other hand, stakeholders may create texts that argue that things in the world are not what they seem (e.g., it's not collaboration, it's price fixing) and that existing concepts should be applied to the world in a different way (e.g., same-sex spouses). In each case, some stakeholder wants the corporation to carry out its activities in a different way and attempts to influence corporate activity through the process of (de-)legitimation.

While all stakeholders may potentially participate in this process of organizational (de-)legitimation, executives often have the most at stake in maintaining the legitimacy of the organization. Their position in the organization is hegemonic; it depends on the ongoing discursive maintenance of unstable and shifting alliances that are ideologically constructed and contested.

2. *If I reconceptualize legitimacy in this way - as a social accomplishment created and maintained through discourse - how can it be studied? What kinds of methods and methodologies are useful in investigating legitimacy if it is understood in this way?*

Discourse analysis provides the necessary methodological connection between institutional phenomena generally, and a wider set of qualitative methods. The methodology focuses the researcher's attention on three levels of analysis. First, the discursive event can be approached as a text and analyzed for its textual properties *independently of its context*. Second, the text can be examined as a discursive product *growing out of a set of discursive structures*. The discursive techniques used in its production and the concepts and subject positions that are constituted by the discourse are of fundamental importance. Finally, *the social context of the text must be examined* and the textual and discursive properties can then be understood. It is this social context that provides the motivation to study these processes, as it is here that the discourse has political and ideological effects. It is at this point that discourse as a form of social practice has an effect on the interactions of the producers and receivers of the text. The kinds of social relations that characterize the environment of the text, the resources available to the producer and recipients of the text, and the kinds of political interests held by the participants are all important in developing an understanding of the text as a discursive event.

3. *What ramifications does this reconceptualization of legitimacy have for institutional theory, the body of theory and empirical research most concerned*

with legitimacy?

Institutional theory has largely taken the concept of legitimacy for granted. In theoretical and empirical work, the term is often used unreflexively, as if it were without complication. The development of a discourse analytic view of legitimacy functions to complicate the concept in a way which challenges this sort of unreflective use.

The usefulness of institutional theory, and the continued popularity of the early work (particularly Meyer & Rowan, 1977), lies in its roots in interpretive social theory (Berger & Luckmann, 1967; Schutz, 1970). However, the continued insensitivity of more recent institutional theorists to the complex and social nature of legitimacy has lead to the development of a related but largely separate literature focused primarily on developing the concept of legitimacy (e.g., Dowling & Pfeffer, 1975; Elsbach & Sutton, 1992; Phillips & Brown, 1993). The continued use of an undersocialized view of legitimacy by mainstream institutional theorists puts institutional theory at risk of simply becoming a weak version of population ecology. It is the political and interpretive nature of legitimacy that separates institutional theory from the impersonal social forces of the world of population ecology and that constitutes its unique contribution to the study of organizations.

In addition, the role of power and politics in the determination of what is "legitimate" becomes much more central from this perspective. DiMaggio and Powell (1991), in their review of the development of institutional theory, argue that institutional theorists have underemphasized the ability of actors to gain advantage through the management of institutional frameworks:

> Power and interests have been slighted topics in institutional analysis. To be sure, Meyer and Rowan pointed to the power of the state and the collective mobilizing efforts of the professions. DiMaggio and Powell stressed how coercive processes, that is, the direct imposition of standard operating procedures by powerful organizations in a field, as well as more subtle pressures for conformity, limit variability. *But little attention has been focused on how incumbents maintain their dominant positions or respond to threats during periods of crisis or instability. And we know even less about how skilful entrepreneurs put multiple institutional logics to strategic use.* [italics added] (1991: 30)

The combination of discourse analysis and an interpretive view of legitimacy provides an ideal perspective to approach these questions. The activities of "skilful entrepreneurs" can be examined by analyzing the texts produced and the discursive practices invoked. When combined with an understanding of the social context, and therefore the interests and resources of various actors, a discursive analysis of instances of institutional strategic action becomes not simply possible, but a valuable focus for sustained attention.

I feel that this is the most significant contribution of the work presented in this thesis. Anyone who has spent any time at all in organizations (and how can anyone have avoided it) must have observed many, many cases of entrepreneurs practicing self-interested institutional management. Arguments are continuously framed in terms of "the company" or "standard practice". People act to frame activities in ways that others will support and this kind of activity occurs at every level of the organization from the highest levels of management or administration to the lowest rung of the employment ladder. *This sort of strategic institutional action is the most fundamental* *organizational phenomenon*. Organizations, standard operating procedures, and all the tacit "ways we do things around here" all grow out of this process.

4. *How do corporations actually manage legitimacy? How can corporations manage legitimacy more effectively? more ethically?*

First of all, corporations do not manage legitimacy, managers do. While management may account for their behaviour as "acting on behalf of the corporation", legitimacy is, in reality, a product of the activity of a wide range of stakeholders who all "manage" legitimacy in their own best interests. While this confounding of management and "the corporation" is often unproblematic, it is not unproblematic in the study of legitimacy. In the discussion of a highly political process like the management of legitimacy it is critical to link texts to actors and their interests. In fact, when discussing legitimacy, it is always critically important to accurately identify who is actually doing what and for what reason.

In any case, stakeholders manage legitimacy through the production and dissemination of texts. From a management viewpoint, legitimacy management cuts across all the activities of the corporation as any activity can conceivably be a text. Of course, some activities are more important as texts and management's attention should be focused on these activities. A broader understanding of legitimacy and the sources of legitimacy therefore requires a degree of cultural literacy and an understanding of the stakeholder groups to which the management team wishes to appeal. Effective legitimacy management is, therefore, a difficult and expensive activity that requires an indepth knowledge of the corporation and its social environment.

The ethical questions surrounding legitimacy management are complex and difficult. The problems are parallel to issues surrounding other questions of media use such as issue and product advertising. Should management have so much more access to communication channels than other stakeholders? Should management be able to use shareholder money to convince shareholders to support actions that may or may not be in their best interests? These are questions that remain unanswered, but that can be usefully approached using the framework developed here.

A New Problematic in Organizational Analysis

In this section I would like to spend a few moments discussing the broader ramifications of the perspective I have developed in this thesis. More specifically, I would like to argue that organizational analysis is facing a new set of problems and, to remain relevant, organizational researchers need to develop a new approach to organizational analysis that reflects the role of capitalism in the production of culture. Why do we study organizations as if they only produced goods and services when, in an important sense, they produce signs? This is most clearly the case if we examine the entertainment and tourism industries, both fields of economic activity that we are currently unable to discuss in a way that reflects their "cultural" content. This is particularly a problem given the increasing role of these industries in society[16] - as they grow in importance, traditional organizational analysis as a field of study declines. If organizational analysis is to remain relevant in the long term, researchers must come to terms with the cultural role of business and the central place of capitalism in the ongoing production of society. Once organizational researchers understand that relation, then we can have some hope of reconstructing the study of organizations generally, and management in particular, along lines that reflect the reality of the role of business.

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[16] For example, the sales of the video game industry now exceed US$8 billion per year and are expected to reach US$14 billion by 2000. Yet how many articles have appeared in management journals discussing this industry?

It seems to me that both cultural studies and management are missing the point here. Cultural studies understands the relation between capitalism and society but only in a negative, critical way - they can only talk about what is wrong with the system. They generally fail to see the freeing aspect of the incredibly complex web of signification and the consequent dulling of any moral judgement attached to any particular set of signs. The speed of change of the web of signification is such that no one can pin down any meaning or argue that anything is more than temporarily true. We are left with a nihilism that is overwhelming. The strictures observed by Foucault fall away as the micro-processes of power lose their consistency and pattern. The resulting emergent strategies that he postulated disappear as the complexity of interactions increases and the ability to draw consistent meanings disappears.

For organizational analysis, the irresistible urge to reify the semiotic web into organizations and environments makes it impossible to understand the symbolic aspect of goods and services. We consume symbols, not products or services. Baudrillard saw this. I think Tom Peters sees this. Even Marx saw this. Yet Porter produces a world of incredible materiality, one structured around power without a hint of the relation of power to knowledge. Somehow our conceptual frameworks have ossified in organizational analysis and we are unable to see that our traditional perspectives are losing their usefulness. Perhaps in terms of retrospective reconstruction and the production of accounts they still have some utility. But it is not useful in understanding how corporations work or how they produce the set of relations that we label their environment.

But how do we reconstruct organizational analysis to make the role of capitalism in cultural production visible? How do we theorize this relation into existence? If we don't, we lose relevance in direct proportion to the decline in importance of the industries that we can say something about (i.e., steel mills, coal mines, etc.). But if we do, imagine the result: business as art. It is not just, as Williams suggested, that advertising is the art of the capitalist world, it is that every object and act can be imbued with value. Business schools become places where students learn about cultural production and how their activities are central to the maintenance and development of cultural forms. They, through their actions, choose the world we will live in. The central problem becomes one of understanding the relation between business activity and cultural forms. The more we understand about this relation the more ability we have to change our world. Politics is dead - managing social systems is now an exercise in managing the mode of production.

But the question remains, how do we begin? How do we begin to reconstruct a perspective that allows us to understand corporations not as economists see them, but as centres of cultural production: as places where we, not goods and services, are produced; as the only potential place for the production of societal change (if that is what we want); and as the place from which societal change will arise whether or not we want it. I think the answer lies in frameworks like the discourse analytic framework described in paper two combined with ideas from postmodern social theory. Together, these perspectives provide the necessary insight into the production of social reality and the subject with a broader theory of culture applicable to our late-capitalist system of production. While this thesis is only a very small step in this direction, I think it does point to a potentially productive area of organizational studies.

Future Directions

While I have spent considerable time on the topic of legitimacy, I feel that there are several important avenues revealed by the approach that I would still like to explore. First, the whole question of institutional creation remains largely unexplored. Discourse analysis holds tremendous promise for this sort of investigation and its applicability goes far beyond the limited application that I have presented here. A whole range of social production in and around organizations can be explored using a critical discourse analysis perspective. How organizations are socially accomplished and the role of discourse and power are fascinating issues that require much more theoretical and empirical work.

Second, to the degree that the process of managing legitimacy takes place in the media it raises the question of audience response (Jensen, 1991). Recipients of mass media texts are not simple reactors, they play a active role in creating meaning and their acquiesence or resistance is critical to the end result. While as researchers we can argue for what we feel are the intended meanings (and hence the intended effect) of a text, without studying the recipients we can never know how they actually interpret the text. Techniques for identifying the stakeholders and for investigating their responses remain to be developed and applied within management studies.

Third, my discussion of the management of legitimacy assumes that we can infer a manager's intentions from an understanding of his or her interests and social situation. I have some evidence that this is the case from comparisons of the results of paper one and statements drawn from published interviews regarding image management campaigns. But, the study of this sort of activity requires a more indepth investigation of the intentions of stakeholders engaged in the management of legitimacy. As one step in this direction, I am currently applying for funding for a project to investigate the corporate image management from a managerial viewpoint. The study will centre around the investigation of several large scale image management campaigns and will include a number of interviews with the managers responsible. This research will provide more insight into the process that produces these purposeful image management campaigns. At the same time, it will involve an extensive consideration of public relations firms and their role in the increasingly professional and media intensive image management of large corporations.

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Phillips, Nelson and Brown, John B. (1993) "Analyzing communication in and around organizations: A critical hermeneutic approach", *Academy of Management Journal*, 36: 1547-1576.

Appendix 1

Curriculum Vitae

Nelson Phillips

Faculty of Management
McGill University
1001 Sherbrooke St. West
Montreal, Quebec, Canada H3A 1G5
Bus: (514) 398-3602
Fax: (514) 398-3876

Education

Sept. 1989 - April 1995	Doctoral Program Department of Organizational Analysis Faculty of Business University of Alberta, Edmonton, Alberta
July 1986 - April 1989	Master of Business Administration Management of Human Resources Specialization University of Calgary, Calgary, Alberta
Sept. 1980 - April 1985	Bachelor of Science Major: Electrical Engineering Minor: Computer Engineering University of Calgary

Academic Experience

Aug. 1993 - Present	*Assistant Professor*, Faculty of Management, McGill University.
Spring 1991	*Sessional Lecturer*, Faculty of Business, University of Alberta.
Fall 1990	*Sessional Lecturer*, Faculty of Business, University of Alberta.

Academic Publications

Mauws, M. and Phillips, N. (1995) "On Language Games", *Organization Science,* Forthcoming.

Phillips, N. (1995) "Telling Tales: On the Role of Narrative Fiction in Organizational Analysis", *Organization Studies,* Forthcoming.

Phillips, N. and Field, R. (1994) "On Technology as a Social Phenomenon: Notes on `From High-Touch to High-Tech'", *Technology Studies*, Forthcoming.

Phillips, N. and Brown, J. (1993) "Analyzing Communication in and Around Organizations: A Critical Hermeneutic Approach", *The Academy of Management Journal*, 36(6): 1547-1576.

Field, R. and Phillips, N. (1992) "The Environmental Crisis in the Office: Why Aren't Managers Managing the Office Environment", *Journal of General Management*, 18(1): 35-50.

Phillips, N. (1992) "Understanding Ethics in Practice: An Ethnomethodological Approach to Business Ethics", *Business Ethics Quarterly*, 2(2): 223-244.

Phillips, N. and Anderson, C. (1991) "Computers and Organizational Structure: A Sociological Perspective", *International Journal of Computer Applications in Technology*, 4(4): 217-225.

Phillips, N. (1991) "The Sociology of Knowledge: Towards an Existential View of Business Ethics", *Journal of Business Ethics*, 10: 787-795.

Other Publications

Phillips, N. and Martin de Holan, P. (1995) "Investing in Cuba: A Canadian Perspective", *CubaNews*, 3(3).

Conference Proceedings

Phillips, N. (1992) "Where the Rubber Meets the Sky: Reflections on Strategic Management in an High-tech New Venture", in J. Brock Smith (ed.), *Best Paper Proceedings of the International Council for Small Business Canada 9th Annual Conference.*

Morouney, K. and Phillips, N. (1992) "Sexuality and Management Research: Poststructural Analysis and Feminist Critique", in B. Townley, (ed.), *Proceedings of the 1992 Annual Conference of the Administrative Sciences Association of Canada*.

Mauws, M. and Phillips, N. (1992) "The Institutional Requisites of Capitalism: Potential Obstacles to Trade with the CIS and Eastern Europe", in M. Geringer, (ed.), *Proceedings of the 1992 Annual Conference of the Administrative Sciences Association of Canada*.

Conference Presentations

"Power or Trust?", Symposium with Cynthia Hardy, Tom Lawrence, and Ann Smith presented at the 1994 Strategic Management Conference, Paris, France.

"The Management of Discontent: Toward an Interpretive Understanding of Corporate Legitimation", Paper presented at the 1994 Annual Academy of Management Meetings, Dallas.

"Marching to a Different Drum: Oppression and Resistance At the Montreal Tam Tam Festival", Paper presented at the 1994 Annual Standing Conference on Organization Studies Conference, Calgary.

"Critical Methods in Management Research", Symposium with Michael Mauws and Tom Lawrence presented at the 1994 Annual Administrative Sciences Association of Canada Meetings, Halifax.

"Relevance in Management Research: Four Perspectives", Symposium with Kim Morouney presented at the 1994 Annual Administrative Science Association of Canada Meetings, Halifax.

"The Ethics of Managing Culture", Presented at the 1994 Annual Conference International Association for Business and Society, Hilton Head, North Carolina.

"On Language Games: A Reply to Donaldson, Buyer and Astley & Zammuto", Presented at the 1993 Annual Conference of the Administrative Sciences Association of Canada, Lake Louise, Alberta.

"Where the Rubber Meets the Sky: Reflections on Strategic Management in an High-Tech New Venture", Presented at the 1992 Annual Conference of the International Council for Small Business, Victoria, British Columbia.

"Method and Metaphysics in the Study of Management: Postpositivism and Its Consequences for the Study of Management", Presented at the 1992 Annual Academy of Management Conference, Research Methods Division, Las Vegas, Nevada.

"Organization Studies as Fiction/Fiction as Organization Studies", Presented at the 1992 Standing Conference on Organizational Symbolism, Lancaster University, Lancaster, England.

"Searching for Relevance: Teaching Ethics Through Literature and Popular Culture", Presented at the 1992 Organizational Behaviour Teaching Conference, Calgary, Alberta.

"Myth and Alienation: On the Relation Between Technology, Culture, and the Experience of Workers Under Capitalism", Presented at the 1992 Annual Conference of the Administrative Sciences Association of Canada, Organization Theory Division, Quebec City, Quebec.

"The Institutional Requisites of Capitalism: Potential Obstacles to Trade with the CIS and Eastern Europe", With M. Mauws, Presented at the 1992 Annual Conference of the Administrative Sciences Association of Canada, International Business Division, Quebec City, Quebec.

"Sexuality and Management Research: Poststructural Analysis and Feminist Critique", With K. Morouney, Presented at the 1992 Annual Conference of the Administrative Sciences Association of Canada, Women in Management Division, Quebec City, Quebec.

"Managing the Media as Corporate Strategy: Corporate Domination of the Media as an Environmental Concern", Presented at the 1992 Annual Meeting of the Canadian Sociology and Anthropology Association, Charlottetown, Prince Edward Island.

"The Strategic Management of Environmental Activism: Tactics and Tensions", With T. Lawrence, Presented at the 1991 Annual Conference of the Strategic Management Society, Toronto, Ontario.

"On the Nature of Strategy: Linking Metaphors Through Power and Knowledge", With T. Lawrence and L. Rouleau, Presented at the 1991

Annual Conference of the Strategic Management Society, Toronto.

"Paradox and Contradiction: On the Nature of Strategic Reality", Presented at the 1991 Annual Conference of the Administrative Sciences Association of Canada, Policy Division, Niagara Falls.

"Autopoiesis: An Alternative Model of the Organization", Presented at the 1990 Annual Conference of the Administrative Sciences Association of Canada.

Papers Under Review for Publication

Mauws, M. and Phillips, N. "Managing Market Structures: A Strategic Structuration Approach", submitted to the *Strategic Management Journal*.

Mauws, M. and Phillips, N. "The Institutional Requisites of Capitalism", submitted for consideration for publication as a book chapter.

Grants Awarded

1994/96	SSHRC Strategic Research Grant with Cynthia hardy to study Collaboration ($159,000)
1993/94	Faculty of Graduate Studies and Research ($2200)
1993/94	Faculty of Management Internal Grant Application ($2000)

Other Professional Activities

1995	Elected Academic Reviewer for the Organization Theory Division of the Administrative Sciences Association of Canada
1994	Asked to write a discussion of organization studies for Richard Field's organizational behaviour textbook.
1993	Reviewed two chapters for the upcoming *Handbook of Organizational Science*, Putnam & Chapman.

1993 Reviewed book proposal entitled "The Business System in Canada: Responding to Challenges in Its Environment" for Prentice Hall Canada.

Reviewer for the Annual Conference of the Administrative Sciences Association of Canada, Organization Behaviour Division and Organization Theory Division.

Reviewer for the Annual Conference of the Academy of Management, Research Methods Division.

Administrative Activities

1994/95 Faculty Research Committee

1994/95 Summer School Abroad - Organized (with Pablo Martin) the Summer School Abroad program to Cuba and Brazil in which McGill and University of Havana students participated.

1993/94 Faculty Library Committee

1993/94 Summer School Abroad - Organized (with Pablo Martin and Al Jaeger) the Summer School Abroad program to Cuba in which 15 McGill students, two international students, two Concordia, and 10 University of Havana students participated.

Industry Experience

Sept. 88 - Aug. 89 *Programmer Analyst*, D & S Petroleum Consulting Group, Calgary, Alberta.

May 88 - Sept. 88 *Term Appointment*, Esso Resources Canada Ltd., Calgary, Alberta.

Sept. 87 - Jan. 88 *Computer Programmer*, Quest Computer Consultants, Calgary, Alberta.

Feb. 87 - Sept. 87 *Partner*, Ghost River Computing Ltd., Calgary, Alberta.

Nov. 85 - Feb. 87 *Computer Programmer*, DataSpan Technology Ltd., Calgary, Alberta.

May 85 - Nov. 85 *Customer Service Attendant*, IBM Canada Ltd., Calgary, Alberta.

Consulting

Fall 1991 Prepared a report entitled "Morale and Commitment in the Public Service" for the Personnel Administrative Office, Government of Alberta.